[illegible] on the whole wa[illegible] above [illegible] of the previous year, although actual revenue will show a small decline. The public bought freely, however, and the demand did much to bring merchants' stocks to a state of near depletion. Such a situation must lead to replacement on a larger scale to keep pace with the public demand, and this will in turn mean larger business for the wholesaler and manufacturer.

Sentiment at the new year is par-

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THE POST

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EDITORIA[illegible]

Out of the Prom[illegible] ing Christmas [illegible] to Earth—R[illegible]

Street, this is "some bargain."

And yet in the way it is being presented, purchases are being made by unsuspecting investors who look to receiving the full value of the C. P. R. stock in New York or Canadian funds in the course of a few months or a year or so, with a profit of over 100 per cent. It looks like easy money. So did the gamble in German marks when they were quoted at about 1¼ cents because the purchasers were figuring on a rapid return to 5 or 10 or 15 or 20 cents for the mark. Instead it slumped from day to day until it got down to about 1/3 of one cent in which case the original investment was worth about one-quarter of what had been paid for it, and many investors sold out at heavy losses. In order that the gamble in C. P. R. German-held stock may bring the purchaser at $45 the chance to get his money back, without, even a cent of profit, the German mark must return from ½ cent to about 9 cents. That may be one year, or fifty according as you are good at guessing the future—or it may never happen.

This stock that is being offered in Canada to-day is, it appears, a part of the stock owned by Germans which should have been handed over to the German Government for transfer to the Canadian Government, but was not. Some was disposed of through Holland, and the rest is coming through apparently from individual owners. No dividends have been paid by the C. P. R. since war was declared, and they will not be until permission is granted by the Custodian at Ottawa who is in control. The arrangement under the Peace Treaty was that all Canadian securities held by "enemy nationals" in Germany should be sent back to Canada and the proceeds of their sale here should offset as far as possible Canada's claim against Germany, not only for commercial indebtedness but also for reparations on account of the war. Nor can any transfer of the stock from the original German owner be made without the consent of the Custodian at Ottawa. It appears unlikely that any such consent will be given at least for some years to come for a transfer of such stock as was not handed over to the Canadian Government. Even where the German Government credits the original holder of the stock with such price as the Canadian Custodian receives by selling the stock in Canada or in New York, the payment will be in marks, and the mark will be valued at the pre-war price, that is about 23.8 cents. That means that if the transfer was made at once and the payment made by the G[illegible] Government [illegible] the va[illegible] [illegible]dian money [illegible] re about

[illegible] decidedly more optimis[illegible] [illegible] is [illegible] last year. But while [illegible] of le[illegible]ing bankers and business men w[illegible] have this year expressed their opinions for the benefit of the readers of these various publications apparently believe business conditions are much sounder fundamentally than they were this time last year, they almost unanimously believe that the process of recovery which they expect to witness during the year 1922 will be slow.

Secretary of the Treasury Mellon in a most cautiously worded statement which appears in one of the "forecast editions," while refusing to make any predictions regarding the future, says: "The recovery in the general situation has been greater than anyone had reason to expect a year ago and it gives some index to the

[illegible] serve perc[illegible]tage [illegible] the Fe[illegible] serve Banks has risen fro[illegible] to seventy per cent. during the year, that the Treasury is now borrowing money at four and a half per cent. whereas a year ago money cost it as high as six, the Treasury's chief ends his statement thus: "A year which has seen this progress towards the re-establishment of business and industry on a peacetime basis justifies us, I believe, in looking forward hopefully to the future."

The optimism and the caution of this statement is typical of most of the statements which appear. And it is to be expected that this should be the case. Mr. Mellon is not only the Treasurer of the United States but one of the country's richest men. His business connections and interests are almost as great as those of John D. Rokefeller.

[illegible] would carry through o[illegible] [illegible]ther they could carry through or not was the problem that disturbed the Government and the men on the inside of the overstrained situation.

Industry was stalled, incomes were dwarfed and shriveled, but the Government had to have money and the bankers had to furnish it. Manufacturers, merchants and shippers had to have money and the bankers had to furnish it. Interest on railroad bonds and all other bonds and on mortgages had to be paid and the bankers had to furnish the money to meet these payments. The building trades had to have money, the cotton growers had to have money and the vast farming industry had to have money and the bankers had to furnish it.

Payrolls in the industries had to

(Continued on page 9)

What the Vote on Radials Indicates

BUSINESS MEN, manufacturers and responsible taxpayers generally in Ontario, who have been regarding with increasing anxiety and even apprehension the remarkable expansion of activities of the Hydro Electric Commission, will take a measure of relief from the results of the voting in Toronto this week. By-laws to purchase radials as proposed by the commission were carried but by such small majorities that the result could only be regarded as a marked reversal of public opinion from previous votes, as late as a year ago. This is strikingly indicated in the following table of comparisons which shows how the overwhelming majorities of recent years have been almost wiped out:

	For Radial	Against Radial	Maj.
1916—			
Western Radial	21,247	5,711	15,536
1920—			
Bowmanville Radial	21,378	2,356	19,022
1921—			
Mackenzie Radials	29,081	1,672	27,409
1922—			
Bowmanville Radial	15,872	14,080	1,792
Toronto Suburban	16,087	13,580	2,507

These results, we believe, indicate that at last thoughtful taxpayers are coming to realize the burden they have already shouldered in the public ownership projects of Sir Adam Beck and that with many millions invested in Chippawa—and the result of that experiment to be regarded with the gravest doubts—the support of the hydro radial program, particularly in the face of the report of the Sutherland Commission and in defiance of the sound policy of the provincial government, is nothing short of economic insanity.

The results are more significant when it is considered that there has been no organized opposition to the radial proposals and that, therefore, the people who changed their opinions in the past year have done so because of well-reasoned convictions. There was no popular wave against the by-laws because any one who opposes any proposal of Sir Adam Beck is branded as an opponent of government ownership and many people would rather stay at home than vote against that well-sounding but delusive principle, no matter what their doubts as to the practical soundness of it may be.

That the people are coming to an appreciation of the situation is hardly to be wondered at when they are told by the lieutenants of Sir Adam Beck that *"the city does not spend a cent upon the purchase of the Toronto suburban lines."* Why? Because—and what business man would listen to such an explanation: *"It simply gives its bonds temporarily as collateral security."* Was it any wonder that in the portions of Toronto where there are substantial property owners the vote was heavily against the proposal. But the advocates of the by-law went even one better. They declared that *"no deficit would ever have to be met by the city, because, when the other three lines are run for Toronto by the Hydro Commission, the revenue will be sufficient to look after the charges on all four until such time as the Toronto suburban was made profitable by linking it up with other terminals."* As a piece of financial reasoning this would be a gem even were it not indicated by all information available that the other lines referred to would also be run at a loss.

Consider Before Too Late

With Chippawa expenditures on such a scale that practical business operation of the plant seems an absolute impossibility, and Ontario, therefore, burdened with a financial white elephant when she should be reaping the benefits of the greatest single water power in the world, the change of attitude on the part of the voters in regard to radials is a healthy sign. It should encourage the government to stick closely to the sensible line of policy it has laid down and to ignore the light-headed advice of the public ownership press.

At such a time it may be well to again refer to the fiasco of the Municipal Loan Fund when the municipalities of Ontario were led by Sir Francis Hincks—just as they are being led by Sir Adam Beck to-day—to make wild investments in railways and other improvem[illegible]

(Continued on page 8)

[illegible] bank a[illegible] the manner [illegible] which their interests have been handled by the directors who have taken charge. Many of them feel that there should have been a re-organization of the bank months ago and that this could have been done more readily than now and with an avoidance of a good deal of the loss that will be suffered by the shareholders. As far back as July, 1920, it was known that the bank had suffered heavy loss running into millions of dollars through the failure of the firm of Thornton, Davidson & Company. Many feel that steps should then have been taken by the directors to get at a real statement of the bank's position, because the losses through the brokerage firm failure were common talk on the street. Instead of this being done, a period of well over twelve months elapsed before an appeal was made to one of the other banks.

Another point of criticism [illegible] employment of a bank man cl[illegible] connected with the purchasing [illegible] to make the estimate of the rea[illegible] of the assets of the Merchant's [illegible]

One other argument urged is [illegible] three or four of the Canadian b[illegible] should have been called in and that with this limited number of banks carrying on an investigation the harmful publicity that was feared could have been avoided. It is even contended that with these banks guaranteeing the depositors of the Merchants Bank, as has since been done by the Bank of Montreal alone, a run on the bank would have been avoided and that it could have carried on by cutting down the dividends and gradually making up in this way, and in ordinary profits, for the depletion of the reserve that had actually taken place.

However, now that matters are as they are, there is a general feeling in financial circles here that the offer to the shareholders should be allowed to take its course, and the hope is expressed that the shareholders will see fit to ratify the agreement submitted to them by the required two-thirds vote and thus avoid any further financial troubles either for the Merchants Bank or the financial fabric in general.

It is announced that D. C. Macarow, formerly general manage[illegible] the Merchants Bank has associ[illegible] himself with the firm of E. a[illegible] Randolph, of New York, an[illegible] the present, take up [illegible] firm's Montreal o[illegible]

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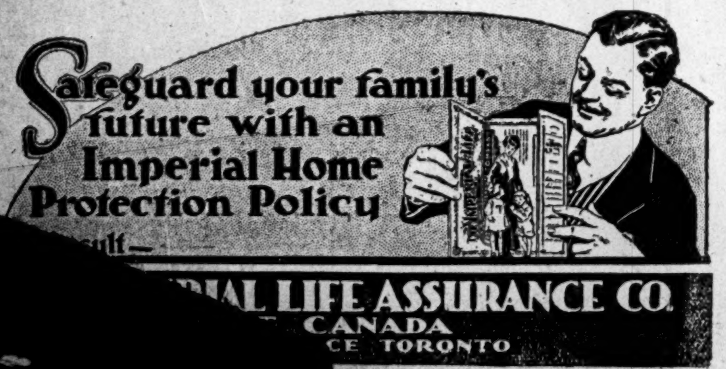

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in the settlement of this [illegible] situation has been the [illegible] of the German reparations, [illegible] the debts which our allies owe to us. There has been consideration of these matters in many quarters without any conclusions having been reached or any real consensus of public opinion developed. In general the discussions have turned rather on the ability of the various countries to pay than on the equally important question, what the effect of these huge payments will be upon the countries receiving them. If progress is to be made, it will be necessary for us to be patient with the debt-laden countries of Europe in order that they may recuperate from the effects of the war. The suggestion made by Mr. James Simpson, of Chicago, to fund the debt owed to us by Europe for a period of twenty years, at first without interest and later with a very low interest charge is worthy of attention. If we extend a breathing spell of this nature to our debtors, it is hoped that they in turn will show a reasonableness in their dealings with other countries which are compelled to make payments to them. If some satisfactory arrangements are not made, the recovery of the war-stricken countries will be delayed and this will retard the restoration of prosperity in our own country and in the whole world.

Limitation of Armaments

There is good reason for believing that the Conference on Limitation of Armaments sitting in Washington will bring about better conditions and better relations between the various nations of the world. The lessening of the taxes, which hang like the sword of Damocles over all enterprise, can only be brought about as a result of reduction of armaments, and a reduction of armaments in turn is only possible if there grows up a real will for peace. It is estimated that the government spends nearly eight per cent. of its income for the payment of the cost of past wars and the preparation for future wars. The result is that, while this heavy burden may be more equitably and scientifically distributed than has been the case in the past, still, since the government has to pay its bills, huge sums will continue to be drawn from productive enterprise in the shape of taxes. It is to be hoped that a definite fiscal policy will be adopted and adhered to, for aside from the size of the contributions demanded by the government from business, all enterprise has labored under the load of continued uncertainty. Business will find difficulty in developing as long as it is impossible for it to plan ahead for any length of time owing to the

[illegible] almost [illegible] a ton below [illegible] thirteen-year average.

Average of the eight products as of December 27 was $44.27. This is 62% below the high war average of $119.69 in July, 1917, 48% below the high 1920 average of $85.03, 24% above the average of $35.80 in August, 1913, and 19% above the average for the thirteen years ended December 31, 1913.

TRIED TO GIVE TOO MUCH SERVICE

That is Trouble With Street Railways Says Retiring President of Association

It has commonly been charged that municipal authorities or legislative bodies have been largely responsible for the financial difficulties of street railway companies. P. H. Gadsden, retiring president of the American Electric Railway Association, at the recent annual convention of that body, placed a large part of the blame upon the traction managers themselves. According to Mr. Gadsden, managers of street railway properties attempted the impossible when they tried to provide 10, 15 or 20 cents, worth of service for a nickel. The trouble, he said, was that they took over the horsecar lines where five cents would pay for a mile or two's ride and proceeded to attempt to give 10 or 20 mile rides for the same price.

Mr. Gadsden was in somewhat of a critical mood when he gave this address and stated that "the old pathway of 33 years' history of electric railways has been strewn with economic and business errors. From a practical standpoint tested by the rules of common sense and business, we have been a monumental failure, because we failed to realize that such public utilities are governed by economic conditions, just as any other business is and that there is no escape from the tyranny of the balance sheet. Developing the idea of service and carrying this to the nth degree was all very well, as good service is the foundation of all public utilities, but giving service beyond what it can afford to do, he insists, was mighty poor business and should never have been attempted.

He exonerates the public and places upon the railway managers' shoulders the blame for the mistake of trying to maintain a fixed five-cent fare, when the business of the traction companies was so expanded as to make such a thing impossible, with rides limited only to the extent of lines and free transfers.

umbia lumber, and the Boston market is sending in orders for 250,000 feet or more almost every week. Charleston is also buying, and both these centres are being served direct by steamships passing through the Panama Canal. Reduction in rail rates is expected to take some of this business from the water route, but it is probable that the steamship lines can afford to cut again in retaliation and retain a large share of the trade.

The Japanese market is holding out well and regular shipments of big timbers are being made. One big Japanese concern recently offered to purchase the three years' production of a Vancouver mill at the current market quotations, thus demonstrating that Japan will probably be buying for some time to come, and that the present movement is not a temporary development.

THE "HOLD-OUTS"

Occasionally Profit by Refusal to Deposit—Some Examples

In connection with plans for modification of conditions surrounding security issues, which come up from time to time, it is frequently the recalcitrant minority which fares best, says Barron's Weekly.

Two cases in point are Cuba Cane Sugar and Allied Packers. The Cuba Cane 7s which agreed to subordinate their claims to the $10,000,000 of new money recently secured have become 8% bonds and now sell at about 53, but the undeposited 7s sell around 59. Again, the Allied Packers 6% bonds which were deposited under the capital readjustment plan are quoted around 50 as against a price of 61 for the bonds which have held out.

This brings to mind another instance, not quite so recent, where the "hold-outs" fared better eventually than the depositing bondholders. When the old American Writing Paper first mortgage issue matured, the company asked the bondholders to take a new bond in exchange, bearing a higher rate of interest. The great majority in a spirit of helpful co-operation consented, but the few who demurred saw their bonds quoted in the market substantially higher than the deposited securities and were finally paid off in cash.

Lest an improper moral be drawn from the foregoing it should be observed that the record also contains examples of contrary result. In fact, in too many cases it is only by the constructive action of the majority that the few "hold-outs" are able to obtain an ad[illegible]ge. Whether a security should be deposited or withheld depends, of course, upon the circu[illegible] of the particular propositi[illegible]

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NOT MUCH HOPE OF REVISION OF U. S. TARIFF DOWNWARD

No Prospect of Let-up of Restrictions Upon Trade With Canada

FARMERS' INFLUENCE

Improved Position of Canadian Dollar Opens Way for Large Scale Investment in Canada—Trade Balance Improves

From Our Own Correspondent.

NEW YORK—Such a marked improvement has occurred during the past twelve months in the fundamental conditions affecting trade and financial relations betwen Canada and the United States that banking opinion here feels that there is considerable justification for the belief that Canada has definitely effected a permanent reduction in her adverse trade balance in the United States and that the new low levels reached by the discount on the Canadian dollar during the closing weeks of 1921 may be accepted as indicative of a permanent improvement in its status on this side of the international line. At the end of the ten months period ending October 31, 1921, according to the Bureau of Foreign and Domestic Commerce, excess of exports to Canada over imports was $237,458,000. At the end of the same period in 1920 it was $354,544,000. In 1919 it was $193,484,000. Thus the adverse Canadian balance here was much lower than it was at the end of the same period in 1920, although not lower than it was at the end of the same period in 1919. But comparisons with previous years must be made with the fact clearly in mind that the conditions so far as freedom of trade between the two countries is concerned were definitely changed for the worse from the Canadian point of view by the enactment during the year 1921 of the American Emergency Tariff Act. As will become clear after a study of the statistics which accompany this article, the seventy-five per cent. decrease which occurred in the closing months of 1921 in the volume of Canada's exports of agricultural products to this country, prevented an even larger reduction in the adverse trade balance.

United States Trade with Canada 1920-21
(000 omitted)

	Imports	Exports	Excess Exports
December	59,506	61,699	2,193
January	34,247	54,369	20,122
February	32,874	45,178	12,334
March	31,214	80,340	49,126
April	31,340	48,979	17,439
May	26,130	50,486	24,256
June	23,238	49,171	25,933
July	23,727	51,996	28,369
August	23,500	50,148	27,648
September	24,189	56,004	31,815
October	29,415	44,800	15,385
Total Ten Months Ending October, 1921			
Imports			$279,963
Exports			517,421
Excess exports			237,458
Imports, 1920			486,269
Exports, 1920			840,813
Imports, 1919			394,155
Exports, 1919			587,639
Excess exports, 1920			354,544
Excess exports, 1919			193,484

No Change in Fundamentals

Then it is thought that conditions in both Canada and the United States will during the greater part of the year 1922 prevent any great change in the fundamental conditions which at the close of the year governed trade and financial relations between the two countries. There probably will be no great change in either Canada's adverse trade balance here or in the present status of the Canadian dollar. Even allowing for the greatest goodwill toward the United States on the part of the new Canadian Government and assuming their entire willingness and the willingness, of course, of the majority of the people of Canada, to let down, at least a part of the wall which now tends to keep American goods out of Canada, it is very difficult for most Canadians on this side of the line to see how it can be done. Canda obviously needs every dollar of revenue she can lay her hands on. Her revenues from the customs tariff are already small enough.

At this juncture it would seem unlikely that any very material change can occur in present Canadian tariff schedules, at least so far as the United States is likely to be concerned, during the coming twelve months. Hence Canadian bankers and American business men do not seem to expect to witness any great increase in the volume of American exports to Canada as the result of a reduction in the Canadian tariff.

Thus, allowing for favorable action on the part of the Canadian people, in regard to the tariff, from the American point of view, most American business men who have been accustomed to doing any amount of business with Canadian importers recognize that it will be at least a year before they recapture what they have been in the habit of regarding as their normal volume of business.

It is equally difficult to see how much change can take place in the volume of Canada's exports to this country. The Emergency Tariff which went into effect on May 28 has been extended until a permanent tariff is adopted by Congress. A special session of Congress failed to pass permanent tariff legislation during the closing months of 1921 thanks to the obstructive efforts of the now famous bloc of farmers representatives: the prospect of its being passed in the near future is not very promising on account of the same opposiiton.

And if a permanent tariff measure should be passed before the end of 1922 to replace the Emergency Tariff, so long as the agricultural bloc

Continued on page 14.

EXCHANGE ROBS LABOR ASSERTS WALTER CAMP

Takes American Jobs to German Bench, He Explains

Walter Camp, president of the New Haven Clock Company, tells the New York Herald that "Exchange is acting as a siphon to take the jobs of the American workingmen to the German bench." Mr. Camp dealt particularly with the competition American manufacturers are meeting from abroad.

"England, Canada and other countries," Mr. Camp said, "long ago acted to prevent this loss of jobs of their workmen to Germany. Canada has multiplied the value of the mark for duty purposes. England has taken action of another character, but equally effective. Meantime we are asleep. Americans are transferring capital and operations to German factories on account of this exchange profit. The American Woollen Company, it is stated, has taken options on 30 factories abroad.

"I have recently received an offer of stock control in a German factory, showing that the profits of making goods over there by German workmen and taking advantage of the exchange would show me large profits, but that again means the transfer of American capital to pay the German wage-earner instead of using the money to pay the American.

MOTOR YEAR BETTER THAN WAS EXPECTED

Earnings Have Been Poor But Financial Position Has Been Strengthened

The automotive industry in America as a whole probably fared better this year than had been expected. Most motor companies entered 1921 under discouraging circumstances. Business over the last half of 1920 had slumped severely and production had not been curtailed quickly enough to prevent accumulation of large surpluses of unsold cars. In addition, the high rate of operations maintained in the early part of 1920 tempted many manufacturers to stock up heavily on raw materials. The liquidation of both raw and finished material inventories, therefore, presented a difficult problem for the motor companies to solve this year.

From a profit and loss standpoint, few motor companies will make good showings this year. Earnings in many cases will have been largely absorbed by inventory depreciation but for this reason the automobile manufacturers, almost without exception, will be in substantially better physical and financial condition at the end of the year than at the close of 1920.

Following an unusually dull spring, motor sales picked up perceptibly last summer. Operations generally were increased, to taper off in conformity with lessening demand in the fall. Operations are now low. The industry is preparing for next month's National Automobile Shows, which are expected to mark the beginning of better business. Prevailing opinion in the trade is that the most critical point of the readjustment period has been passed and that 1922 will witness the return of automobile buying on a scale comparable with the early month of last year.

GASOLINE PRICE DOUBLE

But Now Lower Than High Point Since 1915

Average price of gasoline in the United States is more than twice as high as in 1915. At the peak level of 1920, prices averaged three times as high as those of 1915.

Analysis of the increase in crude oil production shows that the supply available for gasoline has not increased as fast as it appears. Domestic production of crude plus imports from Mexico this year will approximate 600,000,000 barrels, compared with 300,000,000 barrels in 1915, an increase of 300,000,000 barrels.

Imports of crude from Mexico alone account for more than 100,000,000 barrels of the increase, and 90% of this is good only for fuel oil. Of the domestic supply, in 1921 about 295,000,000 barrels consisted of crude containing a high yield of gasoline, compared with 170,000,000 barrels in 1915, an increase of 125,000,000 barrels.

MINE DEVELOPMENT LARGELY DEPENDS ON PRIVATE ZEAL

Disagreement With Proposed Restrictions Upon Mine Flotations

SAID THAT INDIVIDUAL

Promotion Leads to Widest and Most Economical Development—Commendable Features to Brokers

By D. E. CUSHING.

A general disagreement is found among men wholly interested in mining, with the proposal of the Standard Stock Exchange, that all future mining promotions be restricted to members of the exchanges.

Such a move would undoubtedly be in the interests of the brokers. It could not be said to be in the best interests of mining.

One of the main reasons why promotions should not be limited to brokers is the fact that most of Norther Ontario's finest mining companies of the present day are the results of private promotion. Start at the Hollinger, Lake Shore, Tough Oakes, Wright-Hargreaves, Ontario-Kirkland, Bidgood, Seneca-Superior, Coniagas, Kerr Lake. Among the newest is the Oxford-Cobalt, perhaps the last big mine of Cobalt camp, and financed exclusively by Woodstock and London men, friends of the original staker of the claim, Prof. J. W. Russell.

In most cases these companies are the product of the zeal and enterprise of one man and the companies involved have benefited materially by the low cost of promotion as compared with the cost of public promotion.

Injure Name of Mining

On the other hand there are companies, several of them, which have been promoted by brokers and a good many of these have played their part in injuring the good name of mining.

The real mining interests are desirous that all the speculation possible in mining be encouraged, but they take the stand that the putting forward of the stock end of the enterprise instead of the mining end is a bid for gambling and not speculation.

There are some commendable features in the brokers' suggestions and these, if any, will likely be adopted in any Blue Sky legislation. The mining interests however, see another objectionable suggestion offered and that is that a stock be listed immediately sufficient capital for development purposes has been provided.

This is a pretty difficult proposition. In the first place it is a hard task to say when a mine has enough cash for development. When it reaches the producing stage, is perhaps the only definite time that this can be said to be a fact. The case of several mines that have practically exhausted their treasury and not reached that stage might be cited. There are properties listed on the exchange today, that have not sufficient capital for development to the producing stage and they have every possibility of one day being producers. And these mines are an example of just how it would work out, if after the stock had been issued, the company was forced to return to the market for further producing capital.

Needs Of V. N. T.

The V. N. T. might be instanced. It needs a couple of hundred thousand to develop it so that it can produce. The mine was closed during the war. Its stock got down below 20 cents and just recently it had to accept 15 cents for the balance of its treasury stock. Yet there are companies today being floated, companies still in the prospect stage, whose properties are miles from the railroad, the ground has not been more than scratched, let alone developed to the 600 level and equiped with an excellent plant and mill, and their stock is selling privately at 40 and 50 cents a share. Their stock is not listed. An example of this is the Lightning River Co. It is miles from a railroad, all supplies must be teamed in the winter and taken in by boat in the summer. The V. N. T. has the Porcupine branch of the T. and N. O. at its door.

NEWMAN, SWEEZEY & CO.

From Our Own Correspondent

MONTREAL.—A new firm of investment bankers has been established in this City, Newman, Sweezey & Co., Limited. The members of this firm are R. O. Sweezey, Henry Newman, F. S. Molson and H. B. Griffith. Mr. Sweezey is well known for his work as a consulting engineer in connection with timber lands, water powers, pulp and paper mills and financial reports, and will still retain his advisory relations with a number of banking and industrial firms and continue his practice. The other partners have had valuable experience in the bond business in Montreal.

THE CANADIAN BANK OF COMMERCE

The Annual General Meeting of the shareholders of the Bank for the election of Directors, and for other business, will be held at its Banking House in Toronto on Tuesday, the 10th day of January, 1922. The chair will be taken at twelve o'clock noon.

By order of the Board,
JOHN AIRD,
General Manager.

An asset
sometimes of more value to your business than money is the accumulated business experience this Bank is able to place at your disposal.

Do not hesitate to consult our Managers. They will be pleased to co-operate with you.

THE ROYAL BANK OF CANADA

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE NO. 125

A dividend at the rate of three and one-half per cent. [illegible] for the three months ending 31st January, 1922, has been declared payable on the 1st of February, 1922, to shareholders of record as at the 16th of January, 1922.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 22nd of February next, at 12 o'clock noon.

By Order of the Board.
C. H. EASSON,
General Manager.

Toronto, December 14th, 1921.

Good Business People

Recognize the necessity of making their Will while in health. To neglect this important matter may cost your estate many thousand dollars.

The ideal Executor is a well-equipped Trust Company, and you are invited to consult in this matter with the officers of The Bankers' Trust Company, Merchants Bank Building.

THE BANKERS' TRUST COMPANY
Head Offices: MONTREAL
Authorized Capital: $1,000,000
Nine Branches throughout Canada.
Premises in the Merchants Bank Building in each City.
28

PROVINCE OF NEW BRUNSWICK

DEBENTURES

INVESTORS would do well to await attractive Issue of New Brunswick Bonds to be made early in the month
January. Await particulars

GRATION RELEGATED A BACK SEAT?

e to Subordinate De- nent Under Changed Conditions

RITAIN WILL PAY

Share in Cost of Bringing gricultural Settlers to Canada—Western Man Wise Choice

From Our Political Correspondent

The first draft of a Cabinet slate by Mr. King allocates to Hon. Charles Stewart, as Minister of the Interior the department of Immigration and Colonization as one over which he is temporarily at least, to preside. This contains a suggestion that Mr. King in his effort to cut down the personnel of Cabinet Ministers has it in mind to amalgamate the two departments, or more correctly, possibly, to subordinate that of Immigration from the first rank which it held before. This step would appear to be a mistake in judgment; a failure to appreciate at its full importance the work that must be performed by the Immigration Department.

In the columns of THE FINANCIAL POST last week an outline appeared of the change in conditions under which in the future the large proportion of desirable immigration to this country must be assisted to a substantial extent. That the financial resources of tenant farmers and agricultural laborers have been wiped out in the last [illegible]ew years and they will not be ab[illegible] pick up and transfer thei[illegible]ada unless they are p[illegible]fficient funds to en[illegible]sist and plant their [illegible] three years at least. [illegible]t that the Canadian [illegible] Company for month[illegible]an already decided [illegible] to put into operation, but was awaiting a long delay on the part of the Dominion Government.

Shold Have Acted Last June

It is learned on good authority that the wide-awake officials connected with the C. P. R. expected that the question of an immigration policy would have been taken up and some conclusion reached at the Imperial Conference early last summer, and were prepared to offer their own plan of co-operation which would have [illegible] appropriation. For [illegible]eason or other Premier Meigh[illegible]ulated that immigration should not be included in the agenda of that conference, and thus what might have proved an excellent opportunity for settling the relation of Great Britain and Canada in the matter of assisted immigration was let slip. It now remains for the new government to take this question up with the least possible delay and make an arrangement with the British Government whereby thousands of men and their families may be induced to come out to make this country their home.

Great Britain Ready To Help

On good authority it is learned that the British Government is ready to pay a substantial portion of the cost of this immigration, some even believing that the share might reach one-half of the total expenses involved. Indeed, it is the expectation of the C. P. R. men who are in charge, with Col. Dennis at the head, that they themselves will be able to arrange for probably half the load to be carried by Great Britain. This scheme was inherent in the announcement of an immigration policy by Lloyd George early last year, although he included the mechanic class as well as the agricultural and domestics. Against the entrance of the former, however, there is a strong feeling at the present time in Canada due to the extensive unemployment that exists.

A good deal of lethargy would appear to have characterized the Immigration Department the last few years. This was given the prominence of a separate department when Hon. James Calder was chosen as Minister. The latter made at least one important change when he instituted a Publicity Department and created an advisory board with representatives of the transportation companies thereon.

Plan Started With Soldiers

The present plan to assist immigration probably had its inception in the schemes of the Government and the C. P. R. to help locate returned men on the land in the West. Financial assistance was an essence of this scheme, and it showed fair success. However any plan of the C. P. R., and [illegible]y progress under Government agencies must await the drawing up [illegible] definite policy, in which the reg[illegible]tions themselves will have to be [illegible]ery materially. Then there [illegible] to operate in the thou[illegible] in the West that [illegible]ada and which [illegible]owners in[illegible]o those [illegible]these, [illegible]ere West. It is said that out of 4,500,000 acres still owned by the C. P. R. only 2,500,000 are within 15 miles of a railway.

The choice of a Westerner to take charge of the Immigration Department must be viewed as a wise one, as for many years agricultural immigrants would seem likely to predominate in Canada.

EARNINGS OF C. P. R. REFLECT BUSINESS

Net Earnings Once More Decline Below the Level of a Year Ago

From Our Own Correspondent

MONTREAL.—The general decline in business that is immediately reflected in railway earnings, which are themselves an excellent barometer of business conditions—has forced down the net earnings of the Canadian Pacific Railway Co. once more below those of the corresponding month of last year. For the greater part of the past year the net earnings were higher, and gave promise of a substantial gain in the total for the twelve months over those of the year 1920, but in the latter part of the year have been falling off. It was not that the gross earnings were as large as the previous year, for they were far below, but operating expenses were brought down materially. Of late, however, the gross have fallen too far to allow of even a gain in net with expenses greatly reduced. Thus the month of November showed a decline of $401,000 in net earnings, as well as a decline of over $5,000,000 in gross earnings, and it seems certain that the month of December will show a further decline. Unless it runs very much below, however, the total for the year should be well ahead of 1920 as for the first eleven months they are up $1,352,987.

Below are given the comparative returns for the two months of each year, the figures for the past twelve years for November, and the records for eleven months since 1910:

Figures for November

	Nov. 1921	Nov. 1920	Dec.
	$	$	$
Gross	18,787,679	23,799,146	5,011,466
Exp.	15,115,877	19,726,135	4,610,257
Net	3,671,801	4,073,010	401,208

For Past Twelve Years

Nov.	Gross	Net
1921	$18,787,679	$3,671,801
1920	23,799,146	4,073,010
1919	17,366,849	2,849,808
1918	15,023,088	3,308,472
1917	15,191,162	5,257,892
1916	13,401,943	5,563,960

	$	$	$
Gross	177,264,930	196,937,181	18,772,250
Exp.	144,980,971	165,106,209	20,125,257
Net	$32,283,959	$30,930,971	*$1,352,987

*Increase.

Figures for Past 12 Years.

11 Mos.	Gross	Net
1921	$177,264,930	$32,283,959
1920	196,037,181	30,930,971
1919	159,903,476	31,250,860
1918	141,786,843	31,691,375
1917	139,318,452	42,634,739
1916	127,302,819	45,455,070
1915	96,691,573	37,822,914
1914	103,022,823	32,588,543
1913	129,341,332	42,099,338
1912	122,060,085	41,563,425
1911	100,291,645	34,447,790
1910	92,146,345	33,100,255
1915	13,351,284	6,354,413
1914	8,057,359	2,644,072
1913	13,407,015	4,888,246
1912	12,362,666	4,258,139
1911	10,570,694	3,987,366
1910	9,413,238	3,737,122

How 11 Months Compare

1921 1920 Decrease

Babson On The Outlook For 1922

Roger Babson, head of statistical organization bearing his name, predicts the following for the new year:

1922 will be a quiet year but many will be deceived and think that the boom is on.

News print will be lower in 1922 and all other paper in proportion.

There will be a mark-down in automobile prices in January.

Buy vacant real estate now and build later.

There will be opportunities in 1922, but you will have to look for them with a lantern.

Building material will be lower. Livestock will be higher.

The stock market has started on the long upward swing, but investors must average their purchases over a broad list to take advantage of the upward tendency without suffering from the recession that some stocks will experience..

Gasoline will be down to 15 cents a gallon within five years.

Wages, interest and commodity prices will recede to the 1913 level.

We are half-way through the business cycle which runs from the extreme high prices accompanied by labor troubles, inefficiency, waste and dishonesty to the opposite extreme of unemployment, low wages, thrift and efficiency.

Six of the great industries have liquidated and turned the corner. Six others, including oil, coal, lumber, railway equipment and building material are going still lower before they turn.

The South and New England have reached their lowest ebb and are now on the upswing to prosperity. Pittsburg is just turning, the Middle West is slowly commencing to experience depression.

MAXIMUM OUTPUT CANADA'S MINES OVER $217,000,000

Record Established in Year 1920—Short-Lived Stimulus

ABNORMAL CONDITION

Mining Industry Affected By Depression in Trade—A Temporary Situation—Vast Ore Reserves

By W. MALCOLM
Chief of Division of Geological Information

The history of mining in Canada during the last ten years is the history of an industry carried on during most of the time under remarkably abnormal conditions.

Prior to the war there was a long period of steady growth of the mining industry. This was, of course, affected by temporary depressions such as came in 1914. For a short time after the outbreak of the great war with its terrible disruption of established industrial and trade relationships there was a slackening in mining operations. When, however, it became manifest that the struggle was to be one of long duration and that an unprecedented demand for such metals as iron, nickel, copper, lead and zinc would assert itself, great energy was thrown into mining operations and the value of the production increased from $128,863,075 in 1914 to $211,301,897 in 1918.

With the close of the war came a cessation of the abnormal demand, and activities declined. The great world reaction, however, that followed shortly after the signing of the armistice and spent itself in a wild orgy of luxury and extravagance gave a powerful, though shortlived, stimulus to mining, and the value of the production reached its maximum in 1920 when it amounted to $217,775,080.

The general industrial depression that the winds of circumstance drove to every corner of the world in 1920 struck the mineral industry of Canada and led to the discontinuance of operations in certain quarters, and to marked curtailment in others.

The nickel industry presents one of the most striking examples of fluctuation under the abnormal conditions. During the war the production of the Sudbury district, which supplies over three-quarters of the world's requirements, rapidly increased. To meet the in[illegible]tent demand a new smelter was er[illegible]ed and two refineries were built i[illegible] Canada. At the present time mining [illegible]nd smelting operations are greatl[illegible] reduced and the Canadian refinerie[illegible]re closed.

The last ten ye[illegible] have seen the exhaustion of cer[illegible]n large copper deposits of southe[illegible] British Columbia and the develo[illegible]ent and exploitation of others.

The mineral po[illegible]bilities of Manitoba have attract[illegible] attention in recent years. Shi[illegible]ents of copper have been made [illegible]d a large copper deposit awaits b[illegible]er transportation facilities for its [illegible]evelopment.

The famous Co[illegible]lt silver mines after reaching the[illegible] maximum production of 31,039,1[illegible] ounces in 1911 have shown a gradual falling off, although temporary stimulus was given the industry by the high price of silver that prevailed for some time in 1919 and 1920.

A considerable increase in asbestos production was made during the war.

Coal Output Increases

There has not been the same fluctuation in the production of coal as in the case of some other minerals. Alberta's mines have increased their output and contest with those of Nova Scotia for first place in production.

Certain minerals assumed unusual importance during the war; molybdenite mining sprang up, grew, and died out; the production of magnesite grew to considerable proportions; the production of pyrite made a marked increase and has since declined.

The mining of gold presents one of the most hopeful features of the industry. Recent declines in the cost of supplies, the abundance of skilled mine labor available, and the increased efficiency of labor have led to an increase in mining operations, and Porcupine gold district, one of the most important in the world, is passing through a period of greater activity than ever before.

The mineral industry in general is affected by the present industrial depession. There are, however, large reserves of ore in sight, and the return to normal and stable conditions is bound to bring with it a revival of mining.

STOCK MOVEMENTS OF THE WEEK

Week Ending January 3.

BANKS—	Div. Rate.	Ask.	Bid.	High.	Low.	Close.	Sales
Commerce	12+1	183½	182½	185	183	183	157
Hamilton	[illegible]	[illegible]	[illegible]	[illegible]	169	170	[illegible]
Hochelaga	10	148	[illegible]	148	148	148	2
Imperial	12	174	..	174	173½	173½	16
Molsons	12	171	169	171	170	170	58
Montreal	12+2	...	215	215½	215	215½	406
Nationale	12	...	130	130	130	130	10
Nova Scotia	16	252	250	254	252	254	15
Royal	12+2	200½	200	200½	200	200½	140
Standard	14	...	202	204	203	203	39
Toronto	12	190	188	188	188	188	68
Union	10	141	...	142	141	141	79
INDUSTRIALS. UTILITIES. ETC.							
Abitibi Pulp & Paper, com.	..	31½	30½	31	30¼	30⅞	735
Amer. Salesbook, pref.	7	79½	76	79½	78½	78½	109
Asbestos Corp., com.	6	...	48¾	50	48½	48½	35
Atlantic Sugar, com.	..	27	26	27½	26¼	27	[illegible]
Barcelona Traction	..	4¼	3¾	4¼	3⅜	3¼	670
Bell Telephone	8	..	103	106	104	104	214
Brazilian Traction	..	27⅞	27¾	29	27	28	1467
Burt, F. N., com.	10	107½	106½	106¾	106½	106¾	117
Burt, F. N., pref.	7	110	108	107	107	107	8
Brompton Paper	..	21	20½	21	20½	20½	245
Canada Bread, com.	..	27	25½	27	27	27	1
Can. Car & Foundry, com.	..	..	18	18½	18½	18½	35
Can. Car & Foundry, pref.	..	46½	46	46	45½	45½	80
Canada Cement, com.	6	..	54	57	55	55	210
Canada Cement, pref.	7	90	88	90	89⅝	90	91
Can. Converters	7	70	69	70	70	70	71
Can. Cottons, com.	8	..	81¼	82	82	82	150
Can. Cottons, pref.	6	..	76½	77	77	77	3
Can. Gen. Electric, com.	8	95½	..	95	94½	95	215
Can. Gen. Electric, pref.	7	..	102	102¼	102¼	102¼	10
Can. Pacific Railway	10	126½	..	128½	126½	126½	210
Can. Steamships, com.	..	13	12½	13¾	13	13¼	745
Can. Steamships, pref.	7	44¼	43¾	46	43½	43½	1705
Consumers' Gas	10	73	72	73	71	72	52
Detroit United Rly.	10	72	68	73	73	73	62
Dominion Bridge	8	60½	60	66	56	57	3737
Dom. Canners, com.	..	26	..	28	26	26	12
Dominion Glass, com.	6	57½	57¼	58	57	57½	120
Dominion Glass, pref.	7	90	89	89	89	89	25
Dom. Steel Corp., com.	..	25	24	25¾	25	25⅜	285
Dom. Steel Corp., pref.	6	67	..	66	62	65¾	148
Dom. Telegraph	6	..	35	37	37	37	50
Dom. Textile, com.	12	136	135	136	135	136	190
Duluth-Superior	..	..	15½	16	16	16	15
Illinois Traction, com.	..	..	28	24	23	24	139
Illinois Traction, pref.	6	..	71	71	71	71	10
Kaministiquia	8	81	79	80	80	80	5
Lake of the Woods, com.	12	140	..	140	140	140	130
Lake of the Woods, pref.	7	..	105	105	105	105	50
Laurentide Paper	6	74	72⅞	74	71½	74	320
Lyall Construction	4	34	33	35	32	32¼	245
Macdonald, A., com.	..	12	10	12	10	10	15
Mackay, com.	6	76¾	76¼	78½	75½	76⅛	441
Mackay, pref.	4	64¼	64	64	62¼	64	65
Maple Leaf Milling, com.	12	..	110	116	115	116	30
Maple Leaf Milling, pref.	7	..	98	98½	98½	98½	15
Montreal Cottons, com.	6	..	80	80	80	80	100
Montreal Cottons, pref.	7	10¼	104	104½	104¼	104¼	265
Montreal L. H. & Pr. Cons.	5	88⅝	88½	88¾	87½	88	1406
Montreal Telegraph	8	..	44	45	45	45	10
Montreal Tramways	10	..	146½	146½	142	146	391
National Breweries, com.	4	57½	56	56⅜	55	55	935
Ottawa L. H. & Pr.	6	..	68½	70½	70	70½	110
Pacific Burt, pref.	7	80	75	79½	79½	79½	10
Penmans, com.	8	100	95	100	99	100	70
Price Bros.	2	33	30	33	30	30	20
Provincial Paper, pref.	7	84½	81½	84	82	82	25
Quebec Rly.	..	23½	22½	23½	23	23¼	380
Riordon Paper, com.	..	5½	4½	5	4½	4½	55
Riordon Paper, pref.	..	2⅝	2½	2½	2½	2½	200
Rogers, Wm., pref.	7	80	78	77	77	77	14
Russell Motor, pref.	7	60	55	60	60	60	10
Shawinigan W. & Pr.	7	104½	104	104½	104	104½	147
Spanish River Pulp, com.	7	56½	56	62	55½	55½	243
Spanish River Pulp, pref.	7	72	69¼	72	69	69	87
Steel of Canada, com.	7	60	..	61¼	59	59	1025
Steel of Canada, pref.	7	..	91	93	93	93	55
St. Lawrence Flour, com.	6	70	..	69	69	69	10
St. Maurice Paper	8	98	..	95	95	95	15
Toronto Railway	..	67½	67	66¼	66¼	66¼	11
Tuckett Tobacco, com.	4	38	34½	35	34	35	160
Twin City, com.	..	37	35	35	34½	35	60
Wabasso Cotton	4	53	52½	52	52	52	20
Wayagamack	..	36½	36⅜	37¾	36	36½	130
Winnipeg Rly.	..	34½	33½	35⅝	34	34	281
Windsor Hotel	6+2	125	124	124	124	124	50
Woods Mfg., pref.	7	67	65½	67	67	67	10
Brit. Empire Steel, com.	..	9	8½	8½	8¼	8½	172
Brit. Em. Steel, 1st pref.	..	62	60	61	59	60	80
Brit. Em. Steel, 2nd pref.	..	24	22	24	23	23	128

BROMPTON ALLOWS FOR HEAVY DROP IN INVENTORIES

Profits Without This Are $1,000,000 Against $1,800,000 Last Year

DEVELOPED PLANT

Increase in Valuation of Over $2,000,000—Only Required $1,750,000 of Bonds

From Our Own Correspondent.

MONTREAL.—The investor in pulp and paper securities must look for some time to come, to lessened profits. Last year paper ran from $130 to $80: this year it starts at $70 and seems likely to go still lower for a time until finally prices are stabilized, and then begin to work upward again.

The Brompton Pulp & Paper Co. statement issued this week illustrates another point: that all pulp and paper companies must be prepared to take heavy losses on their inventories of pulp wood. Brompton figures out its loss—or at least makes provision for a depreciation of $944,000.

The earnings for the year amounted to $1,097,784 as compared with $1,853,588 one year ago, leaving a balance of $498,010 available for common dividends or about $3.50 per share. This compares with 9.57% a year ago and 9.8 in 1919, the last or one half the capitalization. There is one point to consider here, whether the amount allowed for depreciation in inventories, $944,000, should not be deducted from the profits, which would wipe out anything available for dividends. This is a possible interpretation to place on the statement.

The working capital—due to the cutting down in the inventories, and to heavy expenditures on plant, including the ground wood pulp mill, was reduced from $2,181,354 one year ago to $579,992. A new item is a bank loan of $875,000. Of the authorized bond issue of $2,500,000 the company required to sell only $1,750,000.

Below appears the profit and loss accounts and working capital statements:

Profit and Loss Account

	$ 1921	$ 1920	$ 1919
Earnings	1,097,784	1,853,588	1,098,337
Depreciation	244,000	235,122	188,499
Balance	853,784	1,618,466	909,838
Bond int.	200,774	137,580	82,455
Balance	653,010	1,480,886	827,383
Pfd. divs.	155,000	140,000	140,000
Balance	498,010	1,340,886	687,383
Com. divs.	385,000	665,000	350,000
Surplus	113,010	675,886	337,383
Prev. bal.	1,643,579	967,693	630,310
Balance	1,756,589	1,643,579	967,693
Written off inventories	944,964	......	......
P. & L. bal.	811,625	1,643,579	967,693

Working Capital Account

	1921	1920
Current Assets—		
Inventories	2,185,966	2,476,604
Acc. rec.	1,138,756	1,081,923
Cash	176,401	344,111
	3,501,125	3,802,640
Current Liabilities—		
Acc. pay.	1,229,995	765,051
Bal. notes for land purchases	229,000	......
Payrolls and taxes	547,138	580,234
Bank loan	875,000	......
Divid. payable	40,000	280,000
Total	2,921,133	1,621,286
Bal. work. cap.	579,992	2,181,354

WILDEST KIND OF GAMBLE ATTEMPTED IN C. P. R. SHARES

(Continued from page 1)

the vendor, who had no right to dispose of shares which should rightly have been handed over to the German Government.

It may be that the right to "release" thse shares—or transfer them—to the Canadian purchaser, will never be granted, but that all must take their course through the Custodian at Ottawa. In which case, if the German vendor is willing to hold to the terms of sale to the Canadian, the latter would receive only the equivalent of what the German received—in marks at 23.86 cents as they were before the war—and now worth one-half cent; thus getting back to the equation formulated at the beginning of this article: he would be paying $45 for an equity now worth only $2.57.

Some bargain!

BARCELONA TRACTION

The earnings of the Barcelona Traction, Light and Power Company, for the month of November show a new high record for the year, with gross showing a total of 3,661,205 pesetas as compared with 3,185,930 in October and 3,163,105 for November a year ago. Net earnings for the month at 2,495,564 show an increase of 378,788 over last year's figures.

For the eleven months ending with November the aggregate gross at 33,880,037, showed an increase of 4,949,604, and the aggregate net amounting to 21,463,625 was higher by 2,715,727. The statement following shows the gross, net and net increase for the past year:

	Gross (pesetas)	Net (pesetas)	Net inc. (pesetas)
Oct., 1920	2,795,106	1,831,392	520,795
November	3,163,103	2,116,776	602,151
December	3,147,789	2,042,640	821,104
Jan. 1921	3,154,317	2,080,249	907,234
February	3,354,062	2,360,155	860,133
March	2,891,743	1,862,908	167,767
April	2,925,798	1,819,111	51,198
May	2,862,358	1,750,168	x17,143
June	2,912,556	1,774,541	156,354
July	2,844,138	1,693,681	123,267
August	2,923,804	1,672,945	x88,959
September	3,164,126	1,995,997	50,174
October	3,185,930	1,958,306	126,914
November	3,661,205	2,495,584	378,788

x—Decrease.

Manitoba Power Co.
Limited
7% First Mortgage Bonds
Guaranteed unconditionally by endorsement of
Winnipeg Electric Railway Co.

Assets (including those of guarantor), after deducting their bonds about three times this issue.

Available earnings of the guarantor, average for 12 years 1.4 times interest on this issue, and for year ending August 31st, 1920, 1¾ times

It is estimated that the Manitoba Power Company's net earnings from first installation will be $970,000.

Price on application

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FUNDAMENTALS OF SECURITY MARKETS SHOW BETTERMENT

Recent Performances Provide Cause for Optimism For New Year

PROBLEMS SOLVED

Stocks Continue to Pursue Upward Trend—Some of the Problems To Be Faced—Rehabilitation of Europe

If the performance of the investment markets in the closing months of 1921 is any gauge of what may be expected in the new year then investors have cause to regard the immediate future with optimism. And there is no apparent reason why the upward price trend initiated four months ago should not continue. Improvement to date has been accomplished in the face of conditions that were seemingly highly adverse, but the new year opens, with a distinct betterment in the fundamental elements of the situation. Not only have many of the problems of the adjustment era been solved or well on the way to solution, but the international situation is steadily improving, and there is basis for hope that the world will eventual get down to a solid basis of normalcy.

Foremost among the works to be accomplished during the year is the rehabilitation of Europe in part if not totally. Some progress has been made to date in the limitation of armament and the settlement all but complete of the Irish and, Pacific questions. Germany and Russia are as yet tender spots, and will require some watchful care. Germany as well as Russia is staggering under an immeasurable load of indebtedness, internal and external. Her mor credit is not considered a good risk in the markets of the world and trade and commerce is hampered for that reason. It is to these two countries Germany and Russia, that the solvent nations of the world will have to devote their attention for the re-establishment of normal trade relations and general activity and prosperity waits upon the complete working out of world reconstruction.

The past few months have witnessed a steady inflow of money into securities of a sterling character, mainly government bonds, with the natural result that bond prices have advanced and interest rates substantially declined. The situation is one of encouragement as it denotes an increasing supply of money, and a general easing up in the money situation, which is a condition that must precede a business revival. When the time is opportune the money now devoted to securities will be diverted to business enterprises. Stocks have for the most part pursued a similar trend. It is noticeable, however, that market securities which have stood up well against the storm of reaction during the past year, are now favored by the investors. There is as yet little disposition to launch out into speculation. In fact the stock markets have not yet displayed any pronounced susceptibility to foreign influences.

The year opens with promise, however, of profit for those who select their securities judiciously.

BASIC BUSINESS CONDITIONS ARE MUCH IMPROVED

(Continued from page 1)

ticularly hopeful, and is based upon specific instances of larger business pending. To quote one case, the clothing industry will benefit to a very considerable degree by the large orders that will be placed shortly for uniforms for certain classes of municipal employees. For example it is understood that the Dominion Government will shortly place a contract for 5,000 Boy Scout officers' suits; the postal department will contract for some 10,000 postal employees' uniforms in January. It is reported that the Toronto Transportation Commission will shortly order 2,500 blue and grey uniforms for the street car employees, to be priced around $37 per suit; the Hamilton Street Railway will likewise let a contract for 1,200 uniforms, and the Winnipeg Electric Railway, 1,400, Throughout the country there will be a fairly extensive ordering of uniforms for police and fire departments oringing the aggregate of this class of work to a fairly substantial total, and spread around among the different clothing manufacturing concerns will enable these firms to get their organizations together in readiness for the larger business ahead.

The most important factor entering into the business situation at the present time is the necessity for replacement of all classes of goods. The public has been buying conservatively, likewise the retailer and wholesaler. The manufacturer too has radically curtailed his output. Goods have been gradually reduced without a production to keep pace with the rate of depletion, and the result is that the world's supply of goods and commodities is now very substantially below normal. To the aggressive business man this situation lays open the door of opportunity. If he can produce the goods at a price and of a quality to meet the public appeal the goods can be sold, but if prices are to be still maintained at inflated levels, then the depression in trade, and in his industry especially must continue. A period of the keenest type of competition lies before, and the dealer and manufacturer who is the first to thoroughly eliminate inflation from his prices through lower production costs and production efficiences will be placed in a position of inestimable advantage in the contest for business.

Cost Adjustment.

Fortunately much progress has already been made in this direction. The breakdown in prices of raw materials, the decline in the cost of living, and reduction in wages, have reduced the cost of manufacture in all staple industries. Aided by the recent substantial adjustment of the exchange markets toward par there is the further possibility of competing successfully in the world's markets, and very little is needed to set the machinery of industry and commerce going. International trade has been at a standstill, through the unsettlement of international exchanges, and thus conditions have but served to intensify worldwide and local depression. There has been a gradual improvement of Canada's trade balance of late, due in part to the decline in the importation of raw materials, but with exchange gradually strengthening there is basis for the belief that the improvement may be of a permanent character.

Recent advances in the price of government bonds is one of the phases in the cycle of adjustment and denotes an increasing easiness of money. When industrial conditions are righted this money which is now going into securities will be turned into productive channels.

CANADA'S PRODUCTION NEARLY SIX BILLIONS

General Manufactures Make Up Larger Percentage—Agriculture Next

The value of Canada's products of all forms for the year 1920 reached a grand total of $5,716,247,141, according to a report prepared by the Dominion Bureau of Statistics. Of this total agriculture contributed $1,946,648,000, made up as follows: field crops, $1,455,244,000; farm animals, $140,083,000, wool, $5,321,000; dairy products, $256,000,000; fruits and vegetables, $40,000,000 and poultry and eggs, $50,000,000.

The total for general manufacture is placed at $3,240,391,594, this being the figure for 1918, 1920 returns not being yet available. This figure includes $34,007,628 for fish canned and preserved; $146,333,492 for log products; $30,895,556 for wood pulp, and $6,409,005 for clay products.

Other items contributing to make up the total for the year are the products of the fisheries, $49,247,249; minerals, $227,859,665; furs, for the season of 1919-20, $21,387,005, and forest products (1919) estimated, $230,713,598.

BIG OIL PRODUCTION

Increased Production Threatens Stability of the Market

Increased production of oil in U. S. and Mexico threatens the stability of the oil market, with the chances favoring further reductions in prices, if output is maintained, according to the Wall Street Journal. Latest statistics show this country is producing oil at the rate of 1,380,000 barrels a day, a record amount.

This is a total of almost 2,000,000 barrels of oil a day, and it is too much under present conditions. Consumption of crude oil is 1,550,000 barrels daily.

The key to the preent oil situation is Mexico. The answer to the question, "How long will she be able to produce 600,000 barrels of oil a day in a small area, 450,000 barrels of which are coming from Cerro Azul-Toteco field alone?" will determine the course of the oil market in the near future.

LETTERS TO EDITOR

The Editor,
FINANCIAL POST,
Toronto.

Sir: My attention has been drawn to a mis-statement in the FINANCIAL POST in which my name appears.

In correcting this error permit me to say that my services were not "loaned to Mr. Meighen's publicity agents," but that any little assistance I rendered during the recent campaign was purely a personal matter between a gentleman whose manliness and political ability I warmly admire, and myself.

Neither Lord Atholstan nor the "Star" had anything to do with this matter and I would be obliged if you would make the correction. Believe me,

Yours truly,
A. G. RACEY.

454 Lansdowne Ave., Westmount, Que.,
Jan. 3, 1921.

LIKELY TO ACCEPT WAGE REDUCTION

London Street Railway Employees Realize That Lower Scale is Now in Order

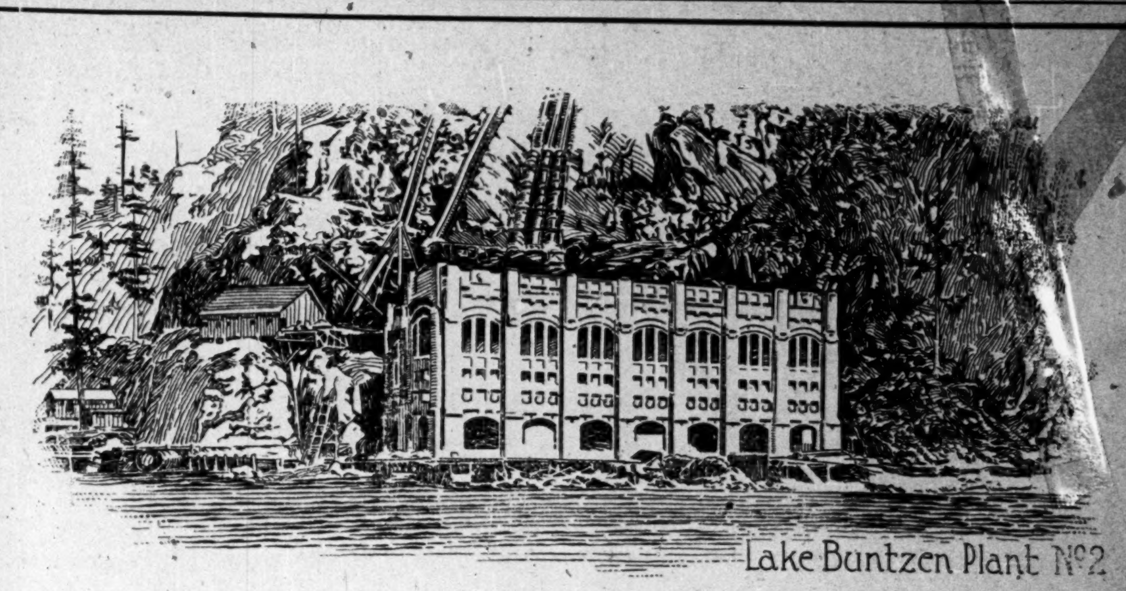
From Our Own Correspondent

LONDON.—The serving of sixty days' notice by the London Street Railway to the president and secretary of the Street Railwaymen's Union that wages will be reduced three cents an hour on March 1 has again brought about a delicate situation. It will be remembered that last summer the men went out on strike for higher wages and that the line was operated for some weeks by the Ontario Railway Board. Finally an agreement was reached by which the employees agreed to return to work at a scale varying from 45 to 48 cents an hour. The schedule which the company plans to put into effect on March 1, is 40 cents an hour for first year motormen and conductors, 43 cents for second year men and 45 cents for men with three or more years of service.

Whether or not this will be accepted by the men remains to be seen, but from information given to THE FINANCIAL POST it is likely that a majority of the men will favor it on the ground that living costs have been and are being materially reduced, and that conditions generally make it advisable to accept a reduction. There is a faction which may hold out and call for a strike. The majority of the men, however, as was shown last year appreciate the fact that the company has been refused permission to advance its fares, that it has not the money to carry out needed improvements and secure additional rolling stock, and that it is doing its best to carry on under serious handicaps. To FINANCIAL POST several of the men expressed a reasonable attitude, declaring that while they feel they are entitled to at least the present scale they do not wish to cripple operations by any unreasonable demands, especially under existing circumstances. There are however, others who take a different view and the future developments are being awaited with no small interest. Another factor in the situation is possible action by the city council, although this is still uncertain.

INDUSTRIAL SECURITIES

In a recent review of the book entitled "How to Analyze Industrial Securities," in the FINANCIAL POST, reference was omitted to the fact that this publication is handled by the B. C. Forbes Publishing Co., 120 Fifth Avenue, New York, and is priced at $2.50.



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VANCOUVER and the Pacific Coast of British Columbia have unequalled electric power resources for manufacturing purposes. 286,000 horse power of hydro-electrical energy of which 136,000 horse power is already developed, awaits industries in Vancouver and vicinity at rates as low as 8-10 of a cent a kilowatt hour.

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Gas is supplied in Vancouver to manufacturers at rates as low as 70 cents per 1,000 cubic feet.

Victoria, Vancouver Island, has 27,000 horse power of electrical energy for industries. Gas is also supplied at low rates.

Write for full particulars, rates, etc., to

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GEORGE KIDD, General Manager, Vancouver, B.C.

Province of QUEBEC

The finances of the Province of Quebec continue in a very healthy condition. The ordinary receipts for the fiscal year ending June 30th., 1921, amounted to $15,914,521.17, and were the largest in the history of the Province. The ordinary expenditures were $14,684,088.12, leaving a surplus of ordinary receipts over ordinary expenditures of $1,230,433.05.

QUEBEC'S FAVORABLE LOANS

The loans issued during the year amounted to $10,800,000.00, of which $5,000,000.00 were in 6 per cent. debentures and $5,800,000.00 in 5½ per cent. debentures. The issues were taken up at most favorable prices, indicating the continued confidence of the financial world in the stable progress and good administration of this Province.

QUEBEC'S GOOD ROADS

The Good Roads Policy of the Government continues with unabated vigour, the expenditure in this connection last year being $6,554,219.14. These substantial highways are not only proving to be of immense service to our agricultural and industrial population, but have also encouraged an extensive increase in the Summer tourist traffic from outside the Province.

QUEBEC'S SUPPORT OF EDUCATION

Higher Education was aided by grants of one million dollars each to the Montreal University, Laval University and McGill University. In making these grants the Government had in view more particularly the extension of the facilities of the universities in their science work, in keeping with the rapidly expanding industrialism of Quebec; the conservation of our forest resources and the development of the pulp and paper industries being directly dependent upon the higher technical training and research.

The expenditure on Education in general, apart from the foregoing, was $1,700,619.15; upon Colonization, $1,473,097.00, and Agriculture, $1,064,500.00.

QUEBEC A BIG PROVINCE

Let us look at Quebec's far stretching acres—450,000,000 of them, the most spacious of all Canada's Provinces. Of this huge territory only 15,000,000 acres or so—about 3.5 per cent.—are under cultivation, and only two-thirds of this acreage can be called improved lands.

Yet from this relatively small acreage much wealth is derived, as witness these figures, comparatively presented:—

	Field crops	Dairy products
1921	$192,773,000	*
1920	330,251,000	$36,953,192
1919	307,994,000	35,041,248
1918	271,750,900	30,680,791
1917	154,097,900	28,313,658
1916	102,937,000	22,875,337
1915	104,683,000	17,303,000
1914	99,279,000	16,156,022
1911	76,325,000	15,656,986

*Not yet available.

QUEBEC'S MANUFACTURERS

According to the last census report there were 11,061 manufacturing plants in Quebec which came under the Government standard of five employes. The value of the capital invested was $936,712,125. The number of employes was 195,573 and their wages and salaries amounted to $189,732,521. The cost of raw material used was $517,586,980 and the value of the output $988,574,723. Representing between $5,000,000 and over output were 29 industries, chief among these the following in the order named: log products, cottons, grist mills, boots and shoes, tobacco products, paper and lumber products, butter and cheese, meat packing, men's clothes, shipbuilding.

QUEBEC'S MINERAL WEALTH

The vastness of Quebec Province has made it quite impossible up to the present to make any inventory of her mineral wealth; yet this wealth is known to be inconceivably great and widely diffused. In 1920 the value of minerals extracted from the earth was $28,223,141. The yearly figures for a number of years show how mining is developed. They are:—

1902	$ 2,985,463	1915	$11,465,873
1905	3,750,300	1916	13,287,024
1910	7,323,281	1917	16,189,179
1913	13,119,811	1918	18,572,595
1914	11,732,783	1919	20,701,005
		1920	28,392,939

The Government looks forward to the coming year with confidence, and resolved to do its share with all Canada in moving along those lines of public policy which will best ensure lasting prosperity for our common country.

The Wabasso Cotton Company, Limited

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DOVE OF PEACE MAY SETTLE ON DETROIT UNITED

Feeling of Optimism That Civic Fight is Nearly Over

FIGHT FOR PROXIES

Two Elements in Montreal Do Battle—Cash Payment—Overtures for Purchase

From Our Own Correspondent

MONTREAL.—The local shareholders of Detroit United Railways are feeling more cheerful than they have done for several years past owing to the improved prospects for the Company. The history of this Company for several years past has been a series of rebuffs one after the other particularly in their relations with the City. After a failure to dispose of their property within the city limits at a price of about $31,000,000, the City itself entered into a competitive system and although this proved extremely expensive and practically little progress in mileage was made, it left the way open to an uncertainty as to the Company's future that was harmful to the price of the securities. In other respects, too, the Company was at the mercy of the City which could have ordered it to cease operations on certain valuable City streets. Indeed the latest judgment by which its request to issue two stock dividends of 2½ per cent. each was refused reflects municipal and state politics fairly readily.

At the present time, however, important changes are taking place most of which should be of benefit to the property and to the shareholders. The Company have sold to the City 29 miles of its lines with cars and other equipment and during the past week received cash to the amount of $2,297,000. In some circles there has been a feeling that the payment of this comparatively large cash amount would enable the Company to meet the last two stock dividend payments of 5 per cent. in cash. As far as THE FINANCIAL POST could learn there is no likelihood of this as there are other pressing purposes for which the money must be expended. In regard, however, to the dividends an appeal is coming before the Supreme Court of the State of Michigan early during the coming month in which it is hoped to reverse the decision of the State Utilities Commission which refused the Company the right to issue stock dividends.

The relations with the City give promise of settlement by lease or purchase by the City of the rest of the Company's property in the City limits amounting to close to three hundred miles. The general view taken is that the City authorities find that they paid far more than they expected for the small system which they have installed and that it will be necessary for them in order to show a properly working department to purchase the remaining lines from the Company. When a price of $30,000,000 or so was set for this some years ago it included very valuable real estate held by the Company and their shops and other property which would not necessarily have to be purchased by the City at the present time at all events. Thus there is a good deal of leeway within which negotiations can be entered upon and brought to a successful conclusion.

Just at this point a lively struggle has started up for proxies, presumably for control of the stock of the Company. This curiously enough centres in the City of Montreal between a group that control a large portion of the stock and a large number of individual shareholders. A representative of the latter group, A. J. Ferguson, a vice-president, is now sending out requests for proxies to be sent in for the annual meeting to be held on February 7 in answer to a similar campaign that has been started by the other group, headed by Brueau & Co. There are stories of an attempt by the former group to move one or two representatives of the latter from the Board, but beyond this little information has leaked out as to what the real purpose behind the attempt to secure proxies is. The second group represents in the main what may be termed the official section or those now represented upon the Board of Directors.

PARTNERSHIP CHANGE

Morrow & Jellott, Bond Dealers and Stock Brokers, of Toronto, dissolved partnership upon the expiration of their agreement on the 31st December, 1921.

A. D. Morrow, Thos. O. Grills and John D. Irwin of the former partners have formed a new partnership under the firm name of A. D. Morrow & Company (Members of the Toronto Stock Exchange, with the same offices at 103 Bay Street, Toronto, to continue business as dealers in Government and Municipal Bonds and Stocks.

N. Y. HOUSE IN MONTREAL

Direct Wire Communications into New York

From Our Own Correspondent.

MONTREAL.—A branch has been opened in Montreal at 30 Hospital Street of Friedman, Markelson & Co. investment bankers of New York and Hartford, Conn. The general manager will be A. J. Deschamps, who has been connected with the Hartford office but whose birthplace was Chambly, south of Montreal, and the resident manager, J. Rouer Roy. They announce a special service on all stocks and bonds, with a direct private wire to their New York office. The Montreal offices are being fitted up in a very convenient form, with private consultation rooms, and on the mezzanine floor quarters for nine members of the staff, each equipped with a telephone overlooking the New York board below, and each with a group of clients assigned him.

LOWER PROFITS FOR CONIAGAS MINES

Stand at $422,238 Compared With $512,380—Output Is Higher

Operating conditions in connection with Ontario's mines varied extensively during the course of the year just closed. At the outset an uncertain supply of power, together with high labor costs, and the declining value of silver, made inroads into the profits of the silver operators especially. With improvement in all these factors, however, earnings have shown a corresponding betterment.

The Coniagas Mines, Limited, whose profits had been practically reduced to the vanishing point in the early months of the year, on the whole makes a very satisfactory showing for the year ending October 31 last. Profits before depreciation and other reserve amounted to $422,238, as compared with $512,380. Total assets show a slight decline also standing at $6,627,955 against $6,734,972. The company realized an average price of 70.88 cents per ounce for solid silver sold during the year, as compared with $1.225 per ounce for the previous year. The output of silver reached to a total of 1,301,515 ounces, almost equal to output of 1917, and greater than that of three subsequent years, and comparing with 994,235 ounces for 1920. Of this recovery 1,213,264 ounces were obtained from 11,304 tons of ore hoisted, giving an average of 10.7 ounces per ton. The ore mill averaged 3.388 tons per man per day and the ore has been mined and concentrated at a net cost of 33.52 cents per ounce as compared with 48.98 cents per ounce during 1920. Dividends during the year amounted to $800,000, making a total distribution to October 31 of $10,840,000.

COPPER AND ZINC IN BETTER DEMAND NOW

Improvement in the Outlook For Mines of British Columbia

From Our Own Correspondent

VICTORIA.—With the copper and zinc markets showing a distinct upward tendency, a more optimistic outlook is associated with the production of these minerals in British Columbia, and more than one mining corporation is contemplating early extension of facilities in order that full advantage may be taken of the sales opportunities.

The price of copper touched bottom last August. Since then it has been gradually climbing. It is being predicted that copper will go as high as 15 cents by the end of February, as compared with 11.71 cents last summer. Zinc is higher now than at any time since May. Copper sales during November amounted to 190,000,000 pounds, or 50,000,000 pounds more than in October, which was the record month of the year.

The Copper Producers

The Granby Consolidated Mining and Smelting Company is said to be considering the establishment of a 2,500-ton concentrating plant at Anyox, to handle a large body of low-grade ore that cannot properly be treated by direct smelting methods. Experiments have been made, and it is believed that with copper at 15 cents a pound concentration will be profitable. H. S. Munro, manager of the company, is now in New York consulting with directors and it is expected that he will have a definite statement to make about this project when he returns to the coast.

The Britannia Mining and Smelting Company is going ahead with the erection of its 2,500-ton concentrator, and the Taylor Engineering Company, of Allentown, Pa, has started construction of the crushing machinery, which will be shipped out by way of the Panama Canal.

It is reported in mining circles here that the Canada Copper Corporation's mine and plant will be restarted in the spring, but there is some question as to whether it will be operated by the company itself or by lease.

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J. F. KAVANAGH
COL. JOHN I. McLAREN
LT.-COL. W. H. MERRITT, St. Catharines
MAJ.-GEN. THE HON. S. C. MEWBURN
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How much of your traveller's time is spent in selling? While he is on the train or cooling his heels in an outer office, waiting, you or he might be talking to the customer by Long Distance, making another sale.

One merchant estimates that 46% of a salesman's time is spent in travelling—that only 15% of his time goes to actual selling. He sells only while the other man is listening! "It enables a salesman to cover ten towns a day and stay at home," writes the Banking Service Corporation, Limited, Toronto.

A banker tells us that every day's delay in turnover costs Canadian business men one million dollars. If you placed orders by Long Distance and secured shipment the same day, or next, by how many dollars would it increase your turnover?

We have yet to hear of a business that has not been benefited by an increased use of Long Distance. Apply the classified Long Distance schedule to your business consistently, and you will secure good results. Our manager will give you hearty, intelligent co-operation.

THE BELL TELEPHONE COMPANY OF CANADA

Every Bell Telephone is a Long Distance Station

Don't Heat a Garage to Heat a Motor

Heat Only the Motor with the
MAYALL MOTOR HEATER
From Any Dealer

Canadian Appraisal Co., Limited

Property Values Definately Established to Meet All Insurance and Accounting Requirements

TORONTO
ROYAL BANK BLDG.

36 UNIVERSITY STREET
MONTREAL

NEW YORK
EQUITABLE BLDG.

UNLISTED SECURITIES

	Bid	Asked
Algoma Steel 5's 1962	44	....
Alta. Pac. Grain	120	125
Do pref.	80¼	81
Brit. Amer. Assurance	4½	5
Burns, P., 1st Mort. 6's	103	....
Can. Machinery 6's	74	76
Can. Woolens	17½	18½
Canadian Oil	52	55
Canadian Salt 6's	80	....
Can. Westinghouse	103¼	....
Cockshutt Plow 7% pref.	45	46
Collingwood Ship Bld. 6's	92	....
Cuban Can. Sugar pref.	....	10
Cuban Can. Sugar com.	2¾	4
Davies Wm., 6's	98½	....
Dominion Fire	45	50
D. Iron & S. 5's 1939	68¼	69¼
Dom. Power	16½	18
Do pref.	79	84
Dunlop Tire, pref.	85	87
Do., 6's	90	....
Eastern Theatres	....	9
Excelsior Life	25	29¾
Famous Players pref.	63½	65
Goodyear Tire, pref.	55¼	55¾
Morrow Screw 6's	80	85
Murray-Kay, pref.	55	56½
National Life	40	....
Neilson, Wm. 6's	90	....
Nova Scotia Steel 6% deb.	72½	....
Ontario Pulp 6's	86	88½
R. Simpson pref.	78	79
Sterling Bank	105¼	105¾
Sterling Coal	21	23½
Trust and Guarantee	67½	70
Western Assurance	5	6½
Toronto Power 5's 1924	94½	....
Belding Paul, pref.	68	70
Can. Cons. Felt, pref.	50	....
Galt Brass	....	40
Gunn's Limited pref.	57	59
Home Bank	98	100½
Imperial Oil	107	110
Harris Abbatoir 6's	90½	93
Inter. Milling 6's	90	....
King Edward Hotel 7's	79¾	....
Lake Superior Paper 6's	86	88
Lambton Golf	410	430
Loew's Metropolitan	4	4½
Loew's Ottawa	2¼	2¾
Manufacturers Life	36	40
Massey Harris	63	65½
Mattagami Pulp	....	16
Do., pref.	....	35
Mercantile Trust	97	....
Merchants Fire	41	....
Mexican North Power 5's	7	8½
Riordon com (new stock)	½	1
Do pref. (new stock)	3	4
Whalen Pulp com.	8	12¾

Railroad Earnings

Earnings of the Canadian Pacific Railway for the ten-day period ending December 31, amounted to $4,913,000, as compared with $5,540,000 for the corresponding period in 1920, a decrease of $627,000, or 11.3 per cent.

"BRIDGE" PROFITS SHOWED A SHARP DECLINE FOR YEAR

Lowest on Record and Little More Than Half of Previous Year

EARNED 5.8 PER CENT

Surplus Had to be Drawn on For Dividends—Working Capital Position Satisfactory

MONTREAL.—Some explanation of the weakness that developed last week in the market position of Dominion Bridge Company was forthcoming when a statement was sent out to the shareholders for the year ending October 31, 1921. This showed a heavy decrease in net earnings, the figures falling below those of any other year in the Company's history. The net amount available for dividends on the common stock was only 5.8 per cent. as compared with 14.8 per cent. for 1920 and 26.6 per cent. for 1919. The gross profits amounted to $623,000 as compared with $1,125,000 one year ago and $1,640,000 two years ago, while the net profits were $378,000 with $964,000 last year and $1,343,000 for the year 1919. The net result was that after paying the total dividend of $520,000—representing 8 per cent. on the capital stock of $6,500,000—there was a deficit on the year's operations of $141,307, compared with a surplus one year ago of $444,000 and one of $823,000 two years ago. In addition there was an amount of $480,000 set aside as a special reserve against depreciation in inventory which left a total deficit on operations for the year of $621,000. This reduced the balance carried forward to profit and loss from $4,293,000 at the end of 1920, to $3,671,000 at Oct. 31, 1921.

That is one side of the year's story. On the other hand, what is more valuable, is the working capital position of the Company. This may be declared to be a satisfactory one. The net working capital still remains at $4,169,000, included in which is an amount of over $1,000,000 in cash. Among the current liabilities, accounts payable had been reduced from $1,318,000 to $562,000, and the total current liabilities amount to less than $700,000, a reduction of one-half from the total of one year ago. After all, a marked decrease in the net earnings of the Company was to have been expected. Any other result, indeed, would have created surprise in all industrial circles. The President, G. H. Duggan, makes a frank statement in regard to the Company's business for the year in the following words:

More Pronounced as Year Ended.

"The general depression existing throughout the country has had an adverse effect on all departments of the company's business, which became more pronounced as the year proceeded."

The falling off in earnings is accounted for by the low prices ruling and the small output, this being only 38,317 tons, against 50,778 tons last year.

During the year there was an unprecedented fall in mill prices, which caused heavy depreciation in the value of the inventory, and it seemed proper to make special provisions for this depreciation.

In dealing with the subsidiaries of the Dominion Baridge Company the President states that the Robb Engineering Works, whose indebtedness to its bankers is guaranteed by the Dominion Bridge, found it necessary to obtain additional funds to enable it to carry on business, and as the Company's bankers would not make further loan without the guarantee of the Bridge Company, the Robb Works were obliged to make an issue of bonds for the amount of $500,000 and offer them pro rata to its shareholders. The Dominion Bridge subscribed for $405,700 par value of these bonds and when the arrangements now being carried out are completed, its guarantee will cease.

In regard to the Canadian Tillsoil Farm Motors, Limited, which was incorporated one year ago, the Company purchased from the Robb Works a number of tractors, and entered on an active sales campaign. Owing, however, in a large measure to adverse business conditions its operations during the year were not remunerative and it has been decided to suspend selling operations until more favorable conditions arise.

The showing of the Company for this year and the uncertainty of profits being much improved for the Company's new fiscal year, goes to justify once again the position taken by THE FINANCIAL POST a couple of years or so ago when pressure was being placed on the directors to increase the dividend from 8 to 10 per cent., and also previously when they were criticized for reducing the dividend from 10 to 8 per cent. The position taken in these columns at that time was that the earnings of the Company for the past three or four years did not justify an increase of dividend, but that after the Company had passed through the reconstruction period it might feel itself called upon to grant a bonus to the shareholders on account of the profits of the Quebec Bridge or extra earnings during the war. This bonus would not become a permanent liability to the Company such as an increase in dividend would have been. Had the dividend been increased in reply to the pleadings of a number of shareholders at the time, the returns for this past year would have shown little more than half that dividend earned. The result undoubtedly would have been a more harmful reaction than has taken place during the past couple of weeks.

Proft and Loss Account

	1921	1920	1919
Profits ..	$ 623,737	$1,125,892	$1,640,531
Less:			
Directors.	15,130	28,998	14,480
Interest .	......	......	22,591
Doubt. ac.	95,607	4,771	89,615
Deprec. .	134,305	127,591	128,388
Inv. res. .	......	......	42,150
Ttl. deduc.	245,043	161,361	297,225
Net earn.	378,693	964,530	1,343,305
Dividends	520,000	520,000	520,000
Balance .	—141,307	444,530	823,305
Reserves .	480,000	......	......
Balance .	—621,397	444,530	823,305
Prev. bal.	4,293,144	3,848,613	3,025,307
P. & L. f'd	$3,671,838	$4,293,144	$3,848,613

Working Capital Account

Current Assets—	1921	1920
Cash	$1,023,942	$ 391,450
Deposits	48,039	106,349
War Bonds	......	11,247
Due from work .	466,138	1,058,087
Acc. rec.	1,481,587	1,903,424
Inventories . . .	1,842,443	2,114,902
	$4,862,149	$5,585,459
Current Liabilities—		
Acc. pay. . . .	562,688	1,318,340
Divid. pay. . .	130,000	130,000
	$ 692,688	$1,448,340
Bal. work. cap.	$4,169,461	$4,137,119

WORKMEN'S COMPENSATION

Number of Accidents in Ontario Declines During 1921

A decrease in the number of accidents in the province of Ontario for the year 1921 is reported by the Ontario Workmen's Compensation Board. Accidents reached a total of 45,191, compared with 54,851 in 1920, and the fatal accidents decreased from 452 to 386. The daily average was 151 accidents as against 183 in 1920.

The compensation awarded during 1921 amounted to $5,526,519.60 as against $7,076,439.59 during 1920. a decrease of $1,549,919.99. The high figures for 1920 were partly owing to the retroactive increase in death pensions under the amendments of that year. The amount paid by the board for medical aid during 1921 was $662,793.89, as against $703,705.66 in 1920. This made the total benefits awarded during 1921 $6,189,313.49, as against a total of $7,780,145.25 in 1920.

NEW BRUNSWICK FIRE

The New Brunswick Fire Insurance Company has reinsured its net liability in fire, tornado, riot and civil commotion and sprinkler leakage lines in the greater part of its territory in the Home Insurance Company. The New Brunswick will continue to do business in the same territory and in the same manner as in the past. This was simply a case of reducing its liability.

W. R. Hearst has now added another great newspaper to his list, the Post-Intelligencer, Seattle. This gives him control of the three great papers on the Pacific Coast.

INVESTOR SHOULD KNOW RATING OF SECURITY TYPES

This Knowledge Basis for Determining Merits of Proposed Investment

STANDING VARIES

But A General Listing Is Possible—Government Securities Head List—War Influence Still Felt

While it is of course impossible for the investor to be intimately acquainted with all securities yet he should be in a position to determine the relative merits of the different types or groups. It is likewise impossible to establish any hard and fast rule in establishing the rank of each type of security in comparison with all others, as there may be external influences entering in to depress or enhance the value of all members temporarily. Many bonds of European governments as a result of war conditions are inferior to our own municipal bonds, and members of other groups have been similarly degraded by the war but notwithstanding a general listing of groups in descending order of merit is possible. The rating of types as presented in Sound Investing (Forbes Publishing Co., 120 Fifth Avenue, New York, $2.50) is the one most generally accepted in investment circles. At the head of the list, of course, are government bonds, particularly of the United States and Canada. Bonds of states and what corresponds in Canada, of provinces are placed in the second rank, and reputed as being "generally better than most of the bonds of foreign governments." In considering a foreign government bond, it is pointed out, much attention must be given, first, to the character and permanence of the amount of its debts, and the burden of taxation, and third, to the per capita wealth of the people. Municipal bonds rank next, but the investor is cautioned to avoid the issues of those municipalities, which through extravagant disregard of the future have rushed into debt and injured their own credit. This further classification with and comment upon each group follows:

Railroad Mortgage Bonds: Excepting government securities, railroad mortgages still rank at the top of the whole investment list, and there is no probability of their being superseded in this position by any other type of bond. They are better secured by assets than most of the gas and electric light issues, and their earning power is less subject to municipal interference than either lighting or street railway obligations.

Fear of Political Attack

Gas and Electric Light Bonds: The obligations of gas and electric lighting companies are high-grade as to both security and stability, notwithstanding a rather general lack of information as to real assets and earning power. Because of the fear of political attack, and a widespread popular belief that public utility concerns are so rich that they can stand deep cuts in their revenues for the benefit of the public, it is seldom that they can make detailed statements of earnings.

Equipment Trusts: They are secured upon the rolling stock of railways, and are usually issued for not more than 90 per cent. of the cash cost of such equipment, and paid off in about ten annual series. Because of this arrangement those which remain outstanding become more and more secure as time goes on.

Street Railway Bonds: Upon the whole street railway companies are not financially strong. They do not carry large amounts of cash and current assets and their revenues are frequently the subject of political agitation.

Steel and Iron Bonds: These at present are among the very best of our industrial securities. The steel and iron business, although essentially necessarily somewhat speculative because of the radical fluctuations in the demand for steel, has been developed to a point where there is no longer any doubt as to its permanence or as to the genuine value of the bonds conservatively issued against physical assets.

Manufacturing Company Bonds: Manufacturing business with but few exceptions, is subject to violent fluctuations. Manufacturing bonds therefore are ordinarily dangerous investments for all those who are not familiar with the branch of business in which the given company is engaged.

Light and Power Preferred Stocks: The preferred stocks of gas light companies are among the best stock investments whenever they are issued by conservatively managed companies. The growing popular consumption of gas and electric light has given these companies a permanent and stable place among our industries.

Industrial Preferred Stocks: It is impossible to invest wisely in these stocks without acquiring by thorough study a genuine knowledge of the conditions of the industry in which one is going to make an investment. Practically the only safeguards are moderate capitalization, large earning power, conservative management, and a thorough knowledge of the investor of both the industry and the company.

Industrial Common Stocks: Individually there are common stocks which have such long dividend records and such large earning power that they are not at all speculative, but this is by no means the general rule. The features to be desired are steady earning power, stability of price, a long dividend record and a conservative management.

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the week ending Dec. 21, amounting to 5,756 tons, while for the year to date the receipts totalled 395,931 tons.

BRAZILIAN TRACTION

The November earnings statement of the Brazilian Traction, Light and Power Company, shows gross amounting to 14,555,000 milreis as compared with 12,199,000 for the same month in 1920, an increase of 2,356,000. Operating expenses for the month were lower by 640,000, while net amounting to 8,820,000 showed an increase of 2,996,000.

The aggregate gross for the eleven months ending with November at 155,462,000, was higher by 33,156,000, and the aggregate net at 85,751,000, showed an increase of 21,443,000. The figures following show the gross, net and net increase for the past year:

	Gross (milreis)	Net (milreis)	Net inc. (milreis)
Oct., 1920	18,442,000	6,480,000	1,977,000
Nov. . .	12,199,000	5,824,000	885,000
Dec. . .	12,600,000	5,683,000	795,000
Jan., 1921	12,875,000	6,217,000	1,107,000
Feb. . .	11,941,000	5,679,000	695,000
March ..	13,102,000	6,522,000	1,212,000
April ..	13,562,000	6,743,000	1,148,000
May . .	14,462,000	7,862,000	1,148,000
June . .	14,257,000	7,803,000	2,007,000
July . .	15,477,000	8,871,000	2,753,000
Aug. . .	15,744,000	9,439,000	3,287,000
Sept. . .	14,471,000	8,634,000	2,417,000
Oct. . .	15,016,000	9,161,000	2,221,000
Nov. . .	14,555,000	8,820,000	2,996,000

EUROPE ASIA
MORE WORDS
"Via Marconi"
for
LESS MONEY
S. AMERICA AFRICA

Marconi messages may now be sent at Deferred Rates to numerous points in Europe, Africa, S. America. etc., as well as to the United Kingdom.

Deferred Rate

Messages accepted only at Marconi or C.P.R. Telegraph Offices.

Full Rate

Accepted at Marconi or C.P.R. Offices —also at C.N.T. Offices to U.K. only.

Ask for our Tariff List.
Mark all Messages
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3-1121

"In Unsettled Times"

the thoughts of men turn instinctively to the sound security of Life Insurance.

The first step to securing suitable and adequate Life Insurance is to obtain dependable information. Permit the Great-West Life to give you that information—by mail, if you wish, for leisurely consideration.

You will readily see the merits of the Great-West Policies. Inexpensive, profitable, liberal—these policies have appealed to over one hundred and twenty-five thousand persons as the best anywhere available.

The Great-West Life Assurance Co.
Dept. "G"
Head Office: Winnipeg

The Railways of Canada Draw to Your Attention the

NEW RAILWAY RATES!

FOR PASSENGERS

The advance on sleeping and parlor car tickets authorized in 1920 has been cut in half—the advance made on ordinary fares at that time having been completely taken off many months ago.

FOR SHIPPERS

The percentage of advance granted to the Railways in 1920 has been reduced ten points. In addition to a five-point drop at the first of the year.

These changes became effective December 1st.

Your cost of Living

YOUR cost of living should be directly affected. If it is *not* it is because (1) as the railways have pointed out before, the actual money paid for their services is an almost negligible factor in making prices, and because (2) even the huge sum now cut out of the railways' revenues and amounting to approximately—

$25,000,000.00*

annually—becomes a very small fraction of a cent when split up among the billions upon billions of small and large articles which constitute the freight traffic of Canada during a year. And because

(3) the Court which has the power to control railway rates is *not* able to direct who is or is not to get the benefit of reductions. In other words, whether these savings in railway charges are passed on to you—or whether they are absorbed in marketing, cannot be controlled either by the railways or the public.

BUT this fact remains: a very great sum of money—enough to build every year a small city, or a Quebec Bridge, or four hundred and fifty of the newest and most powerful locomotives—is now removed from the revenues of the Canadian Railways and should be reflected, at least to some extent, in the family budgets of all Canadians!

WHETHER your railways can continue to function *without* the revenue thus lost to them, is an experimental problem facing the various managements. It depends largely on whether traffic keeps up or falls off — and whether costs rise or decline. But the managements are attempting the problem cheerfully and with determination to keep Canada's railway service the cheapest, mile for mile, and among the most efficient in the world!

*Estimated.

The RAILWAY ASSOCIATION *of* Canada

263 St. James Street,
Montreal, P.Q.

306 Union Station,
Winnipeg, Man.,

CITY OF MOOSE JAW

Sealed tenders endorsed "Tenders for Debentures," will be received by the city commissioners up to noon of the twenty-first day of January, 1922, for twenty-nine thousand eight hundred and twelve dollars and fifty-eight cents debentures for the purpose of capitalizing the arrears of school taxes on lands acquired by the city under the Arrears of Taxes Act.

Debentures to be issued on the sinking fund plan, repayable in five years from the date of the issue therefor, with interest at six and one-half per centum per annum, payable semi-annually.

The highest or any tender not necessarily accepted.

Wm. F. Dunn,
Mayor.
Geo. D. Mackie,
City Commissioner.

TOWN OF DRYDEN

Debentures

Tenders will be received by the undersigned for debentures for $9,000.00 telephone construction and $3,500.00 electric light extensions. These are dated December 1st, 1921, bearing interest at 6% and are payable in fifteen instalments of principal and interest at the Royal Bank, Dryden, Ontario.

J. E. Gibson,
Clerk.

HOWARD SMITH PAPER MILLS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% on the Common Stock, and 2% on the Preferred Stock of The Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of December, 1921, payable on the 20th day of January, 1922, to shareholders of record at the close of business on the 10th day of January, 1922.

By order of the Board.
HAROLD CRABTREE,
Secretary.
Montreal, December 28th, 1921.

Dominion Textile Company Limited.

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1921, payable January 16th, 1922, to shareholders of record January 3rd, 1922.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 28th December, 1921.

Penmans Limited

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared this day for the quarter ending January 31st, 1922.

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of February to Shareholders of record of the 21st day of January, 1922.

On the Common Stock, two per cent (2%) payable on the 15th day of February to Shareholders of record of the 4th of February, 1922.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer
Montreal, Que., December 21, 1921.

THE DOMINION BANK

NOTICE is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 25th January, 1922, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 18th November, 1921.

Dominion Steel Corporation Limited

NOTICE OF PREFERENCE SHARE DIVIDEND NO. 40

A Quarterly Dividend of One and One-half per cent. on the Preference Shares of the Dominion Steel Corporation, Limited, has been declared, payable 1st February, 1922, to Shareholders of record on 14th January, 1922.

The Transfer Books will be closed from 16th January, 1922, to 1st February, 1922, both days inclusive.

By order of the Board of Directors.
C. S. CAMERON,
Secretary.
Montreal, December 21st, 1921.

SASKATCHEWAN FISHERIES

REGINA.—The growing importance of fresh water fisheries in Saskatchewan is indicated in the fact that approximately $300,000 worth of fish are being caught in the lakes of this province and marketed annually. Statistics just published by the Department of Labor and Industries, reveals this.

A considerable amount of money has been invested in the development in boats, gear, smoke houses, nets and other impedimenta, being $56,456.

COMMERCE

A new branch of the Canadian Bank of Commerce has been opened at Leamington with D. Rymer in charge. The bank is occupying temporary quarters at Kitchener place.

MONEY BANKING AND EXCHANGE

FARM CREDITS THROUGH BANKS AND LOAN CO'S.

Federal Credit is Expected To Back Relief Scheme

NEW METHODS NEEDED

Different Credit System Should Be Adopted to Take Cognizance of Unproductiveness of Certain Areas

From Our Own Correspondent.

WINNIPEG.—If present plans carry it is expected new banking machinery will shortly be put into operation for the relief of the distressed farmers. It will take the form of an agricultural credit "pool" as nearly as THE FINANCIAL POST can learn in advance.

Various meetings have been held within the past fortnight. Hon. Geo. Malcolm conferring with the several financial interests who are immediately concerned in assisting the farmers by providing for them new means of obtaining credit. Under the tentative arrangement presently proposed it is understood that the credit will be based upon the basis of long term mortgages.

The pool arrangement will divide the farmers into several classes, (1) those who could really obtain credit at the present time; (2) those whose credit is virtually used up and (3) those who under even normal circumstances would not be worthy of credit but whose present distress makes it imperative that they should be aided. The banks and the various loaning agencies are expected to reach a "pool" arrangement, advancing the funds with virtually a government guarantee.

The distressing losses which the agrarians have suffered makes the problem of financing their industry increasingly urgent. Analysis of the federal crop return reveals a shrinkage in the value of the 1921 crop of $437,600,000 over 1920. Eastern Canada with a loss of $300,600,000 shoulders two thirds of the burden, but this burden rests easier upon the East by reason of the diversified production of which the Eastt is capable. Western Canada is almost wholly dependent upon its agricultural production, so that a sweeping decline, approximating $137,100,000, brings wide distress in every community.

More Facilities Needed

The Winnipeg Tribune forecasts that at the forthcoming session of the provincial legislature credit facilities for farmers will be discussed. This may readily be anticipated from the position of the Manitoba Rural Credit Societies as shown by figures given out this week by Charles Gifford, director of rural credit societies, following their presentation to Hon. Edward Brown, Provincial Treasurer.

Mr. Gifford estimates that rural credit societies of Manitoba will require $4,500,000 to finance 1922 operations. Loans for 1921 amounted to $2,800,000, but of this amount it is stated that $1,800,000 will be repaid by the end of this week, leaving the government to extend into the coming year $1,000,000. Bankers who discussed this situation were sceptical that as much as 60 per cent. of the $2,800,000 outstanding would be repaid this year. "From the general banking experience in the liquidation of loans this season and considering the agricultural distress throughout the West it seems highly impossible that a greater proportion than any 20 per cent. of the year's advances will be repaid," one told THE FINANCIAL POST.

Bankers, and financiers generally who study the problem of financing the agricultural industry, in this province—and indeed in all the Canadian West—are coming more and more to realize that there are fundamental considerations more vital in the ultimate than the immediate distress of the farmers.

New Methods Needed

In wrestling with the banking problem as applied to the farming community government representatives and bankers here have had the very material advantage of studying the agricultural survey undertaken for Manitoba this year under the combined auspices of the Department of Agriculture and the Agricultural College. This survey has shown very clearly the districts of the province which have fallen down, whose lowering production indicates that the land is tired out and needs diversified farming methods to restore it to its former vitality. Bankers realize the seriousness and the unsoundness, economically, of continuing to extend banking aid to districts whose production is growing less each year, with the agriculturists applying no corrective, for the longer future.

EXCHANGE MARKETS

New York Funds Move to New Low Level—Sterling Steady

Exchange markets continued firm throughout the week, fluctuations in Sterling ranging from a low of $4.18 5-8 to a high of $4.21 1-8, and closing at the former quotation. New York funds continued to pursue their downward trend, and moved to new low levels at 4½. The following are fluctuations in Sterling, francs and New York funds:

NEW YORK FUNDS

Dec. 29—New York funds opened at 6 1-8 but moved to lower levels at 5 1-2 to 5 5-8 up to 5 3-4 to 5 718 at close.

Dec. 30—Opened at 5 25-32 and closed at 5 3-32.

Dec. 31—Markets opened at 5 1-8 to 5 1-4 reaching to 5, 4 15-16 and up to 5 1-16 at close.

Jan. 3—Markets opened weaker at 4 7-8 to 5, eased off to 4 3-4; closing at 4 11-16 to 4 3-4.

Jan. 4—Touched low of 4 1-2 to 4 9-16 rallying to 5 and 5 1-16.

STERLING AND FRANCS

	Sterling Demand	Cables	Francs Demand	Cables
Dec. 29—	$4.19¾	$4.20½	12.48	12.46
Dec. 30—	4.21⅛	4.21⅞	12.48	12.46
Dec. 31—	4.20⅞	4.21⅝	12.31	12.29
Jan. 3—	4.20⅜	4.21¼	12.45	12.43
Jan. 4—	4.18⅝	4.19⅜	12.43	12.41

UNION BANK CUT ITS CURRENT LOANS

But Liquid Position Strengthened By Holdings of Government Securities

The general curtailment of commercial credits is reflected in the balance sheet of the Union Bank of Canada which shows that current loans were reduced by about $8,000,000 while call loans in Canada were curtailed by over $2,000,000 and call loans abroad by over $1,600,000. With a reduction of $12,000,000 in demand deposits and $6,000,000 in savings deposits the bank still increased its holdings of government securities by over $7,000,000 and thus strengthened its position as regards immediately available liquid assets. Following are comparative figures:

IMMEDIATELY AVAILABLE	1921	1920	Change
Specie	$1,176,468	$1,609,944—	$ 433,476
Dom. Notes	13,053,261	16,976,372—	3,923,111
Note cir dep	395,000	365,000+	30,000
Notes. bk.	1,047,342	818,333+	229,009
Call loans ab.	1,461,979	3,119,112—	1,657,143
Bank bal.	90,012	158,331—	68,319
Do ab'd	4,794,726	4,551,869+	242,857
Gov. secs.	15,946,501	8,790,686+	7,155,865
Cheques	8,806,898	9,180,180—	373,282
Gold res.	2,100,000	5,000,000—	2,900,000
xDom. loans	7,295,483	10,732,755—	3,437,272
	$56,167,670	$61,302,555—	$5,134,885
% total assets	36.94	36.27 +	.67
% total liab. to public	40.98	39.80+	1.18
Other Assets			
Pub. asets	$9,618,254	$11,900,843—	$2,282,589
Other sec.	3,478,745	3,581,988—	103,243
Call loans	3,220,914	5,418,178—	2,197,264
Current	62,010,008	69,849,785—	7,839,777
Elsewhere	4,937,469	4,496,251+	441,218
Over. debts	137,563	162,404—	24,841
Lets of cred.	2,897,829	3,450,512—	552,683
Real estate	176,127	229,079—	52,952
Mortgages	395,541	135,499+	260,042
Premises	2,031,692	985,970+	1,045,722
Other assets	133,045	44,205+	88,840
Mun loans	7,420,529	7,648,176—	227,647
	$96,457,716	$107,902,890—	$11,445,174
Tot as'ts	$152,625,386	$169,205,445—	$16,580,095
Liabilities to Public			
Circulation	$9,867,309	$12,673,644—	$2,806,335
Dem dep.	37,313,939	49,714,052—	12,400,113
Savings	79,409,816	85,610,464—	6,200,648
Due banks	809,298	627,615+	181,683
Due else	7,543,643	2,601,011+	4,942,632
Accept.	2,897,829	3,454,512—0	552,683
Other liab.	18,557	1,012+	17,545
	$137,860,391	$154,678,310—	$16,817,919
To Shareholders			
Capital	$8,000,000	$8,000,000 $	....
Reserve	6,000,000	6,000,000	....
Divids.	223,309	377,839—	154,530
Balance	541,686	149,296+	392,390
	$14,764,995	$14,527,135+$	237,860
Total lia.	$152,625,386	$169,205,445—	$16,580,959

xDemand loans in Canada secured by grain.

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

EASTERN CITIES

	Dec. 29, 1921	Change	p.c.
Toronto	$ 86,885,442	+$ 4,116,296	4.9
Montreal	101,171,632	—6,476,945	6.0
Ottawa	6,080,117	—1,489,580	19.6
Hamilton	4,901,673	—969,609	16.5
Quebec	4,805,736	—1,763,610	26.8
Halifax	2,778,623	—549,940	16.5
St. John	2,411,769	—296,048	10.9
London	2,833,836	+40,730	1.4
Windsor	2,299,820	—783,046	25.4
Brantford	930,428	—218,696	19.0
Moncton	854,946	+57,661	7.2
Kitchener	840,392	—117,534	12.2
Sherbrooke	828,371	—244,195	22.7
Peterboro'	736,396	—131,467	15.1
Total	$218,359,181	—$8,825,983	3.8
Kingston	735,346	....	...

WESTERN CITIES

Winnipeg	$42,894,274	—$17,755,536	29.2
Vancouver	11,577,396	—5,199,888	30.9
Calgary	4,729,490	—2,488,461	34.4
Edmonton	3,763,391	—930,140	19.8
Regina	4,234,168	—66,638	1.5
Victoria	2,256,798	+227,299	11.2
Saskatoon	1,709,463	—230,114	11.8
Moose Jaw	1,188,399	—385,437	24.5
Ft. William	757,985	—195,011	20.4
N. Westminster	555,244	—33,349	5.6
Lethbridge	526,823	—202,619	27.7
Medicine Hat	363,789	—71,940	16.5
Prince Albert	345,020	—43,573	11.2
Total	$74,902,240	—$27,375,407	26.7
Grand t't'l	$293,261,421	—$36,201,390	10.9
Brandon	$663,820	....	...

IMPERIAL

A. R. B. Hearn, manager of the Winnipeg branch of the Imperial Bank, has been transferred to Montreal as manager of the main branch there.

CHICAGO MERGER A PURELY LOCAL AFFAIR

New York Bankers Not Much Concerned About the Development

NEW YORK.—Absorption of Fort Dearborn banks by Continental & Commercial National Bank and Continental & Commercial Trust & Savings Bank makes the two institutions the second largest unit in the country with combined deposits exceeding $400,000,000 and resources exceeding $525,000,000.

In local banking circles the taking over of the Fort Dearborn banking institutions is regarded as a purely local affair, and not likely to affect the banking situation generally, nor in Chicago in particular. Bankers are inclined to view the Chicago incident as a reflex of the frozen loan situation which first found expression in certain banking adjustments at this center last year.

George Reynolds, president of the Continental banks, said: "The Dearborn Bank loans have no special nature. The bank made too large loans to several industrial concerns. No land or produce deal is involved so far as it is determined now.

"The reason for the diffuculty was the fact that the Tildens owned 42 per cent. of the total stock of 21,000 shares, which was scattered all over the country as collateral. It became known that the Dearborn Bank loans were not of the highest class and the stock was discriminated against."

The Continental banks, in acquiring the Fort Dearborn banks, became owners of the Corn Exchange National Bank Building, purchased by them two years ago for $3,000,000.

THE
CANADA PERMANENT
TRUST COMPANY

TORONTO STREET
TORONTO

Directors:

President
W. G. Gooderham
Vice-President
R. S. Hudson
Colonel A. E. Gooderham
J. H. G. Hagarty
John Massey
F. Gordon Osler
George H. Smith
William Mulock, K.C.
George W. Allan, K.C.
E. R. C. Clarkson

This Company is closely associated with and under the same direction and management as the Canada Permanent Mortgage Corporation. It is, therefore, in a position to place at the service of its clients the long and varied experience and extensive organization of the old parent institution with its enviable record of sixty-five years. It is prepared to act as:

Executor or Trustee of an estate left under Will.

Administrator.

Agent for Executors or Administrators.

Trustee under Trust Deeds, Marriage Settlements, Endowments, etc.

Financial Agent for the Management of Property, Collection of Rents, Dividends, Coupons, or other Income, or for the Investment of Moneys, etc.

Guardian or Trustee for the Estates of Minors, etc.

Committee of the Estate of persons mentally afflicted.

Trustee for Bond Issues.

Transfer Agent and Registrar.

CANADA
PERMANENT
MORTGAGE
CORPORATION

TORONTO STREET
TORONTO

Established 1855

Deposits Received

in sums of one dollar and upwards, and interest allowed compounded half-yearly.

Accumulative Bonds

are a medium of investment especially attractive to those having a sum of money on which they are prepared to allow the interest to accumulate. We issue these Bonds for $100, or any multiple thereof. They bear interest at 5½ per cent. per annum, COMPOUNDED HALF-YEARLY, and the following table shows the amounts required to purchase Bonds for specified sums payable at the end of five years:

$ 76.24	will purchase a Bond for	$100
$152.48	" " "	$200
$381.20	" " "	$500
$762.40	" " "	$1000

Money invested to return simple interest at 5½ per cent. per annum, payable half yearly, will double itself in a little over 18 years, whereas if invested to return the same rate compounded half yearly it will double itself in less than 13 years.

We particularly recommend these Bonds to those not in need of an immediate return on their investment or to anyone wishing to provide an amount for a specific purpose at some future date.

Any further information desired will be gladly furnished on request.

CAPITAL (Paid-up) - - $7,000,000
RESERVE FUND (Earned) $7,000,000

What the Vote on Radials Indicates

(Continued from page 1)

schemes on the ground that all public ownership investments must be for the good of the community simply because they would give service-at-cost. Both men have been followed blindly by many political opportunists and many misguided citizens who divided their attentions between trying to use and trying to benefit their fellow-citizens. The accompanying summary shows what municipalities borrowed from this fund, the amount so borrowed, in what invested, and the result of the investments as set out in the Sessional Papers of 1871-2. At that time steam railroads were being heralded as the one thing required to bring "greatness" to municipalities. It is significant to note the amount invested, loaned, etc., on account of railroads and the results of such financial arrangements by these municipalities. The comment in the tables is that given in the Sessional Papers, 1871-2.

Municipality	Amount Borrowed	Investments		Result of Investment as reported in Sessional Papers, Years 1871-72
Village of Chippawa	$26,000	Erie & Ont. Railway Stock	$20,000	Became an entire loss.
		Local improvements	6,000	Expended on Chippawa cut, which unites Niagara and Welland.
Village of Niagara	280,000	Stock Erie & Ont. Ry.	60,000	Became an entire loss.
		Loan Erie & Ont. Ry.	220,000	Int. of line goes to Erie & Niagara Falls. $12,000 cash and mortgage, but int. on latter unpaid.
Town of Guelph	80,000	Stock Galt & Guelph Ry.		Total Loss.
County of Elgin	80,000	Stock London & Pt. Stanley Ry.		Investment has proven entirely unremunerative.
City of London	375,400	Stock L. & P. S. Ry.	200,000	
		Loan L. & P. S. Ry.	175,000	
Town of St. Catharines	190,000	Pt. Dalhousie, Thorold Ry.	100,000	Worthless.
		Local Improvements	90,000	$37,200 in worthless Coy's.
Township of Hope	60,000	Stock Peterboro & Pt. Hope Ry. & Pt. Hope, Lindsay & Beaverton Ry.		Receives annually from Railway $1,542.
Township of Ops	80,000	Stock " " "		Supposed to receive annually $296.75, but unpaid.
Town of Peterboro	100,000	Loan " " "		Secured by mortgage and bond, Payments received on latter.
Town of Port Hope	860,000	Stock " " "	680,000	Loss.
		Local improvements	180,000	Harbor, unremunerative.
Township of Norwich	200,000	Loan Woodstock & Lake Erie Railway and Harbor Co.		Company failed before road was constructed. Speculators got the money.
Town of Simcoe	100,000	Loan " " "		
Town of Wyndham	100,000	Loan " " "		
City of Ottawa	200,000	Loan By-town & Prescott Ry.		Secured by mortgages, but entirely worthless.
Town of Prescott	100,000	Loan " " "		
Town of Brockville	400,000	Loan Brockville & Ottawa Ry.		Loan secured by mortgage, covenant of which not fulfilled and claims not enforced.
Township of Elizabethtown	154,000	Loan Brockville & Ottawa Ry.		Mortgage reduced to 5c on the dollar, by 23 Victoria, Chap. 109.
United Counties, Lanark & Renfrew	800,000	Stock Buffalo, Brantford & Goderich Ry.		Stock proved worthless and wiped out by Act incorporating Buffalo & Lake Huron Railway.
Township of Bertie	40,000	" " "		
Township of Brantford	50,000	Stock " " "	100,000	Huron Ry.
Town of Brantford	500,000	Loan " " "	400,000	Became an entire loss.
Township of Canborough	8,000	" " "		
United Counties of Huron & Bruce	308,000	Local improvements	8,000	Became an entire loss.
Township of Moulton & Sherbrooke	20,000	Stock Buffalo, Brantford & Goderich Ry.		Stock has proven worthless. Total loss.
Town of Paris	40,000	Stock " " "		
County of Perth	288,000	Stock " " "	200,000	
		Local improvements	88,000	
Town of Stratford	100,000	Loan Buffalo, Brantford & Goderich Ry.		Security of bonds which realized 85-92½%; re-invested in roads and markets.
Township of Wainfleet	20,000	Stock " " "		Entire loss.
Town of Cobourg	500,000	Cobourg & Peterboro Ry.		Town has not derived, or is not likely to derive, any revenue whatever from its investment.**
Township of Woodhouse	80,000	Loan Woodstock & Lake Erie Ry. and Harbor Co.		Company failed before road was constructed. Speculators got the money.
Town of Woodstock	100,000	Loan " " "		
Town of Barrie	12,000	Local improvements		Paid interest but not principal.
Town of Belleville	20,000	Local improvements.		O.K.
Town of Chatham	100,000	Local improvements.		Stock in St. Clair & Rondeau Plank Road Co., and other road companies, none of which have produced any substantial revenue.
Town of Cornwall	12,000	Local improvements.		
Town of Dundas	52,000	Local improvements.		Loans to Desjardine Canal Co. Result a financial loss.
County of Essex	32,000	Local improvements.		Apparently O.K.
Town of Goderich	100,000	Local improvements.		
County of Grey	16,000	Local improvements.		Apparently O.K.
County of Hastings	157,000	Local improvements.		
County of Lambton	16,000	Local improvements.		Apparently O.K.
County of Lincoln	48,000	Local improvements.		
County of Middleton	5,000	Local improvements.		
United Counties Northumberland & Durham	460,000	Local improvements.		—?
County of Oxford	20,000	....		
Township of Stanley	10,000	Local improvements.		—?
	$7,300,000	$2,638,000 in stock. $3,229,400 in loans. $1,432,000 in local improvements.		

**Rival road built from Fund (Municipal Loan) of Province; blamed for putting line out of business.

Upper Canada Loan Fund—
16 Vic., Cap. 22, 10th Nov. -852—Unlimited powers of borrowing on the credit of said fund.
18 Vic., C. 13. 18th Dec. 1854—Sum limited to £1,500,000 Sterling; municipalities limited in borrowing to 20% on the aggregate valuaton of municipality on the then last Assessment Roll.
22nd Vic., C. 15. Passed 4th May, 1859.—No further loans to Upper Canada Municipalities could be made on credit of Fund, except under by-laws sanctioned by Governor-in-Council before that date.

NEWS AND VIEWS FOR MANAGERS

A CANADIAN BANK LOAN HONORED TO EXTENT OF 100%

Rate Comparison Based On American Discount Plan Unfair

"NURSE" ACCOUNTS

Too Little Recognition of Debt Commercial Interests Owe to Banks— Decline of 2% in Loans

The manner in which the banks have looked after the interest of their commercial clients in Canada has received too little recognition. There has been displayed of late a tendency to demand a decrease in commercial rates to correspond with the discount rate of the Federal Reserve Bank of the United States of 5½ per cent. The argument is used that if manufacturers and wholesalers in the United States can borrow money for commercial purposes at 5½ per cent. Canadian banks should themselves establish this as the prevailing rate.

The comparison is an unfair one from many points of view. In the first place the 5½ per cent. rate quoted is one that is not generally applicable. On the other hand the general custom in the United States in regard to such loans is radically different from that in Canada and results in a net rate that is considerably higher than the nominal one quoted, around 5½ per cent. A short time ago when a customer of a Canadian bank applied for a loan in New York from a Canadian bank, he was informed that the bank was not accustomed to loaning to its Canadian customers there to any extent, feeling that it should use any cash available there for strictly call loans, which could be turned into cash on a few hours' notice. This course they would not like to take with a Canadian customer and in order to preserve their policy of keeping their funds in New York in a liquid state they advised him to apply to United States banks. He did so and found that while he was allowed a loan he could withdraw, as a matter of fact, only 80 per cent. of it. Twenty per cent he was compelled to leave with the bank as a form of cash balance, or "free money," on which he would receive no interest.

The Canadian practice is entirely different. As a general rule the loan for commercial purposes is honored to the extent of 100 per cent. of the credit provided by the bank so that if the rate is 6 per cent., which is the prevailing one, the borrower pays only 6 per cent. instead of paying also for a balance which he is not allowed to use.

But altogether apart from present conditions which in themselves are not unfavorable to the Canadian borrower, there remains the fact that during the past few years, not only during the war but afterwards, interest rates rose sharply in New York, while the Canadian banks continued to lend money and to extend credit for exactly the same rate as prevailed many years ago. The rate of 6 per cent. remained practically unchanged through the war and the period that intervened. Where in the United States commercial loans rose to 6, 7, 8, 9 and to 10 per cent. the Canadian banks continued to provide accommodation for their Canadian clients at the old rate. In the United States the rate fluctuated; a borrower might be called on to increase his rate at any time; he did not know what his money would cost for a year's advance or even six months; in Canada the uniform rate held and in this the banks stood almost alone.

It is sometimes held that the rate for depositors should be raised. This was done in the States but not in conformity with the sharp advance there was in rates for loans, whereas in Canada deposit rates remained the same as did the rates for commercial loans. Taking into consideration the importance of commercial conditions of the country there are few who will argue that the banks should have paid a higher rate to depositors by increasing their rates for commercial loans.

The methods of the two countries in granting commercial credits differ also in regard to securities. In Canada the bank as a rule takes a virtual lien on certain commodities, merchandise, or inventories, whereas in the United States the loans are made on the general credit of a firm. In actual practice, however, a bank does not interfere with the use of the "securities," it is given by a firm: the internal management is as free to function as if the bank had no claim. Nor has there been evidence of undue pressure exerted by the banks to force a liquidation of loans by the cutting down of the inventory with undue haste: patience has been a characteristic attitude. Indeed it is only the last few months that the aggregate of commercial loans in Canada began to show a decline: although, with the conservative policy that looks for safety and declines to countenance unwarranted risks in a jumpy market excessive new commitments were discouraged.

In the table that accompanies this article the growth of commercial loans in Canada in the last ten or eleven years is indicated, from under $600,000,000 in January 1910, to nearly $1,400,000,000 by July 1920. Shortly after this latter date the peak was reached and falling prices and depleted inventories started to bring about a drop in the total of loans. The process has been very slow, however, as in many instances such liquidation could not be forced except at a heavy loss, and thousands of accounts have been "nursed," and are being even now. In the six months period between January and July 1921, the decline in the total was $27,000,000 or little more than 2 per cent.

In conjunction with the figures in the table appear those of demands and savings deposits in the Canadian banks. It will be seen that, on an average, the two keep close together, the deposits furnishing the funds for commercial loans.

HOW CURRENT LOANS AND SAVINGS COMPARE.

	Demand Deposits in Canada	After Notice Deposits in Canada	Current Loans in Canada
January, 1910	$238,424,000	$508,209,000	$590,984,000
July, 1910	251,639,000	538,384,000	653,008,000
January, 1911	270,178,000	549,774,000	682,507,000
July, 1911	316,974,000	570,789,000	723,765,000
January, 1912	316,937,000	596,847,000	775,972,000
July, 1912	372,012,000	640,592,000	852,257,000
January, 1913	354,519,000	635,000,000	874,706,000
July, 1913	356,585,000	621,347,000	858,429,000
January, 1914	339,811,000	635,136,000	811,582,000
July, 1914	346,854,000	671,214,000	840,199,000
January, 1915	329,916,000	666,960,000	770,119,000
July, 1915	340,950,000	691,732,000	758,350,000
January, 1916	387,003,000	714,264,000	758,500,000
July, 1916	431,958,000	789,364,000	740,041,000
January, 1917	427,309,000	864,163,000	806,479,000
July, 1917	450,849,000	929,442,000	829,561,000
January, 1918	559,777,000	900,314,000	855,507,000
July, 1918	549,069,000	993,015,000	905,677,000
January, 1919	623,919,000	990,000,000	1,080,341,000
July, 1919	584,177,000	1,175,092,000	1,014,387,000
January, 1920	621,408,000	1,163,297,000	1,226,963,000
July, 1920	639,415,000	1,253,170,000	1,377,277,000
January, 1921	584,026,000	1,313,094,000	1,264,490,000
July, 1921	525,085,000	1,295,227,000	1,237,094,000

Socialistic Banks Prove Very Costly

Commercial West.

It is not surprising that the socialistic schemes of the Townleyites as attempted in North Dakota, proved disastrous failures. The new administration is finding fresh evidence every day of gross mismanagement, and reckless spending of public moneys which could not but spell failure.

A glaring example is brought to light in the expense of receiverships of closed banks. Some forty or more banks in North Dakota have been closed up during the past seven or eight months. A report to Governor Nestos states that "during this period the receiverships have cost $277,000 and the amount collected was only about $100,000." This enormous expense for collecting so small a sum of money aroused the North Dakota Bankers' Association and Secretary McFadden called attention to this several weeks ago, his comments being published in these columns.

No wonder there has been no start made in putting the State Guaranty of Deposits fund into operation under such conditions. These hordes of receivers of closed banks were appointed by Mr. Lofthus, former bank examiner, who was an appointee of the Townleyite governor. The present governor is finding it difficult to get rid of these superfluous officials.

In our issue of December 17th a statement from Bismarck was published showing that "the state-owned and operated flour mill at Drake, North Dakota, lost money at the rate of $2,500 a month during most of this year. The same auditing company reported a loss for this concern of $17,000 for the year ending December 31, 1920. It will be recalled that Governor Frazier, former Townleyite official, not only made public statements, but he published a written statement in the New York Times claiming that this same flour mill was being operated at a profit; that it was netting the farmer more for his wheat and saving him money on the purchase of his flour. Further comment is of course unnecessary.

Lessons From The Bank Merger

Celebration For Children in Chicago

The following letter was sent to The FINANCIAL POST "for publication." We do not agree with some of the statements made nor with the spirit which evidently inspires them. At the same time the affair of the Merchants Bank lends strength to some of the arguments advanced. The writer believes that it would be in the interests of banking to have certain points discussed in this department both from the standpoint of the bank managers and of head office; a statement by the C. B. A. would be in order.—J. W. T.

The Editor,
THE FINANCIAL POST,
Dear Sir:

I was pleased to see in an article on the front page of your issue of 23rd inst., that you had the courage to come out boldly and state that the affair of the Merchants Bank needs probing and that an investigation should be made into the weak points of our banking system. There has been altogether too much writing and talking during the past few years to the effect that our banking system is the finest in the world and many of our bankers and the public have come to the conclusion it is almost perfect. After a great deal of thought and study of banking in Canada and other countries, with experience in a Canadian chartered bank as well as other departments of business, I am fully convinced that there is plenty of room for constructive criticism.

In my opinion the two apparent weaknesses in connection with the calamity that has befallen the Merchants Bank is the present system of bank auditing or inspection and the fact that the directors were either negligent or incapable of performing their duties as directors.

The present system of auditing the head office and a few of the larger branches by chartered accountants appointed and paid by the banks is of little benefit to the public and will not suffice to protect us from catastrophes of the same sort in future. The auditors or bank examiners should be appointed and paid by the government and be responsible only to them. With increased and continual experience they should become valuable in suggesting amendments and improvements to the Bank Act. In their reports to the Minister of Finance they should make any suggestions necessary or proper to increase the security of depositors and at the same time they would be safeguarding the interests of shareholders. They should also have power to order the liquidation of any assets which they consider "frozen" or "dead." The public bank examiners would not necessarily have to inspect all the branches of the bank but if financial conditions were bad in any particular part of the country attention might be paid to the loans of the banks in that area.

In my judgment there are millions of dollars loaned by inexperienced bank managers in Western Canada, which are classed by the banks to-day as good loans, which will never be collected and are escaping detection on account of an inefficient system of liability inspection.

The second weakness I would like to point out is the present method of appointing directors. The great majority of the directors of our banks are mere ornaments and are not qualified to investigate for themselves the accuracy of information placed before them for their approval. It can safely be said to-day of practically all our Canadian bank directors that they are very estimable gentlemen and have, no doubt, been good soldiers, lawyers, doctors or manufacturers, but at the same time might be very poor bankers and not be able to analyze a financial statement when required to do so or give sound advice or judgment on financial matters or policies. The general impression is that most of the directors are appointed, not for their business acumen as they should be, but because the bank has the idea their name will add prestige and they are therefore, in a great many cases, directors in name only. The majority of bank directors ought to have an efficient knowledge of banking and as far as possible the remainder be selected from a number of men who have been successful in other realms of commerce and business. A long list of titled gentlemen as directors does not convey any feeling of security to the keen business man of to-day who is selecting a bank to do business with. He rather investigates the banking and business ability of the personnel of its directorate for the success of any business institution. large or small, is purely a question of sound management.

If a royal commission was appointed by the Minister of Finance to investigate and analyze our whole banking conditions it would undoubtedly result in making the present system better to the general satisfaction of the public and banks alike.

Yours faithfully,
JAS. P. KENNEDY.
Outlook, Sask., Dec. 31, 1921.

SANTA IN THE BANK

Featuring a real Santa Claus at its recent Christmas celebration the Central Manufacturing District Bank of Chicago was perhaps the first bank to use such a happy plan of spreading Christmas joy among the children. First to greet the visitor upon entering the lobby was a regular fireplace, decorated with savings banks and passbooks, and having all the appropriate trimmings, including toys, stockings hanging from the mantelpiece, and a Christmas tree. Handmade wreaths of genuine southern holly, alive with red holly berries hung before each teller's cage, and in each window facing the street. Laurel roping was draped about the lobby of the bank, giving it a warm and pleasing appearance. Most important of all, however, from the point of view of hundreds of children in the neighborhood was the fact that Santa himself was there to present them with candy and a toy, and greet everybody with a word of cheer.

LAKE OF THE WOODS MILLING COMPANY LIMITED KEEWATIN
TRADE MARK REGISTERED

MAKERS OF

FIVE ROSES FLOUR

MILLS AT
Keewatin Portage la Prairie
Medicine Hat

Capacity: 27,400 Bags Per Day

President and Managing Director - Brig.-Gen. FRANK S. MEIGHEN
Vice-President - - - WM. W. HUTCHISON

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W. R. Allan Sir John W. Carson R. W. Reford

HEAD OFFICE: MONTREAL, P.Q.

1922—What Will It Means To Us?

(Continued from page 1)

be met and all other payrolls had to be met, overhead expenses had to be met, vast taxes had to be met and the bankers had to furnish the money. Over-extended enterprises had to be carried by the banks. Frozen credits and slow credits, the inevitable fruitage of the wild plunging and spending of 1919, had to be continued and the bankers had to carry the burden.

In this situation and with a wide aggregation of weak and dangerous spots in our financial, industrial and business structure that came to loom large, the outlook in the trying months of retrenchment did not make for optimism except that grim optimism which stands calmly buoyant and immovable in actual danger. It is a heroic and magnificent piece of work the American bankers with the help of the National Reserve Bank system, have done in the crisis that threatened an incomparable catastrophe.

But all this is behind us and 1922 finds conditions in the large sense calm and the American people hopeful and mildly optimistic. There is every reason for being calm. There is no reason for concern and there is reason for optimism that keeps its feet on the ground.

But we are not going to have the immediate future a magic awakening of business. We are not going to have a sudden return to sensational speculation. The underlying conditions though in the main sound do not warrant it, do not indicate it.

That we shall have a better business in 1922 than we had in 1921 may safely be expected. The country is financially sound to-day. The country has plenty of money to-day for its activities and to spare. Interest rates are moderate and constantly trending lower. Liquidation, except in wages, has done is work.

There is no overproduction. The shelves of merchants are understocked rather than overstocked. Warehouses are not filled with goods. Two years of economy with the American people, two years of watchful, careful buying have worn wardrobes threadbare and made inroads in household equipments. In this situation and in the very nature of the case there will be a better and wider demand for products of the American loom and the American workshop than merchants have been called upon to meet since the axe struck at the root of inflation two years ago.

This greater demand for goods will give work to many men and to many women who are now idle, and as they again become wage earners they will add to the purchasing power of the country and so in turn will make additional work for themselves.

Considered in this respect the better business in sight is largely in response to the desire and necessity of replenishing wardrobes, replenishing household equipments, the construction of new habitations and the rehabilitation of old habitations.

Approaching the markets in this way with depleted pocketbooks, and still under the spell of economy, the American people are not going to get gay in a minute and buy everything in sight. On the contrary, they will buy cautiously, wisely and as they should buy.

This kind of demand on the part of American purchasers alone, though large in the aggregate, never gave us a business boom and never will. Business booms come from foreign buying and general American opulence supplemented by an era of speculation and lavish spending.

We are not going to have the foreign demand for our products which in addition to our domestic demand would keep our industries working at high pressure. We are not going to have the foreign demand for the reason that with our present cost of production, with our high wages, our goods cannot compete in foreign markets with the products of our foreign competitors.

So long as the American wage stands greatly in excess of the foreign wage just so long foreign markets will belong to foreign producers. Our cost of production, except in certain raw materials and in certain foodstuffs, is now so high with present transportation costs due in turn to high wage scale that American goods are generally shut out from foreign markets.

This means with present cost of production that America will remain a walled in nation, so far as concerns foreign trade, just so long as our cost of production is in excess of the cost of production in the big producing countries that reach out for world trade.

A sound, sane reduction in the wage scale with a return to genuine efficiency, the spirit of giving full measure work for the wage received would speedily force open the doors of foreign markets to America. They never will be opened to America until American prices are right.

An active bond market is usually the forerunner of an active stock market and an active stock market is generally followed by active business.

From the fact that the last half of 1921 gave us a buoyant, booming bond market we must not assume that we are on the verge of wide speculation. I should think it a fairly safe prognostication, however, considering all that enters into and has a bearing on the situation, that Wall Street is reasonably sure to take on a considerable awakening before we get far into 1922.

This does not mean wild price inflation or wild speculation. And it does not mean an inundation of new flotation. It is my guess that worthwhile securities are likely to share in the upward trend of bonds. This should be particularly true of issues now selling below their value, and their value determined by the most thorough investigation of the properties represented by stock issues.

That the general public is wholly incapable of determining values is certain. No one not himself a judge of values should put money into stock issues except those that are known to be sound through and through. The general public would show great wisdom in confining its investments to Government or other sound bonds.

I am digressing from the subject under consideration solely with the purpose of cautioning wage earners and others who have no right to jeopardize their money by putting it into speculative securities except on the advise of men of seasoned judgment on security values.

Though the conditions generally favor better business and better security values in 1922 than 1921 gave us, there are still too many cross currents tending to neutralize advancement to justify a very robust optimism.

The transportation situation stands out boldly as an instance of a vast unsolved problem, perhaps unsolvable, whose roots run deep into our entire financial and economic structure. If this were cleared up and so cleared up as to give confidence to investors, so cleared up as to give us right transportation rates, so cleared up as to give us the safest and best railroads in the world, so cleared up as to get the people of the whole country back of their railroads, in jealous support of their railroads, the banking situation would be clarified and the price of all sound securities stabilized.

Until the railroad situation is made right and until the wage scale is brought down to a right basis, I see no great run of brilliant prosperity ahead. We are sure of one or two fundamental facts, however. One of these is that we are not now hovering over a powder mine. Another is that there is nothing in our situation that cannot be cured by honest work and plenty of it.

A nation grows into strength or falls into weakness in accordance with the measure of its people's productive work.

THE FINANCIAL POST

Members of the Audit Bureau of Circulation

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TORONTO, JANUARY 6, 1922.

OUT OF THE PROMOTION STAGE

WATER has been turned on at Chippawa and a small amount of power has been developed to impress the people with the fact that they are going to get something for the millions of their money which Sir Adam Beck and his commission have been spending. Immediately we are informed by the chorus of public ownership newspapers, led by the Toronto Globe, that the great scheme has been proven a triumph. For the first time it is admitted that there has been great financial anxiety mixed with engineering doubt, but at once, by merely the turning of a valve, all these have been dissipated.

Anyone who knows anything whatever of big undertakings appreciates that it is one thing to bring a project to completion—and Chippawa is by no means complete—and entirely another thing to make it a success. With a blank cheque signed by the people of Ontario at his command, Sir Adam Beck has gone ahead spending with alarming recklessness. What was to involve a total of about $10,000,000 or so has become a public white elephant which promises to eat up ten times that amount before its appetite is satisfied. Success can only come when the project is showing an income which will justify every dollar invested and Sir Adam is not yet through spending money, let alone getting into a position to show a satisfactory profit and loss account.

So long as Chippawa continues to finance itself out of capital account there can be no claim made for its success. Success can only be argued when sufficient power is sold on a satisfactory basis to cover all costs. Further this cannot be accomplished by the kind of bookkeeping jugglery such as is usually employed to cover up public ownership deficits. Already there has been talk of wiping off part of the cost. This should never be considered. Chippawa should be made to carry every dollar of cost; Chippawa should pay to Ontario a reasonable rental for the use of water for the benefit of the power consumers; Chippawa should pay to the province taxes in addition to all interest charges with full allowance for sinking fund and other overhead costs—then and not until then can Sir Adam Beck and the other public ownership promoters claim that their works are a success.

The FINANCIAL POST, like the government, has good reason to fear that Chippawa can never justify its cost. It is a serious matter, this project which involves an estimated sum already approaching $90,000,000. The FINANCIAL POST believes that there should be a thorough inquiry to find out how these many millions have been spent, to decide at what price power is to be expected and, in brief, to let the people know where they stand in regard to this great undertaking—an undertaking which to-day stands as an experiment the success of which is a matter for very grave doubt.

PLAYING CHRISTMAS TREE

IN ONE OF the slushy advertisements about wishing ourselves back into a state of prosperity the Ontario government tells the banks to loosen up and help business. At the same time the government is announcing its plans to go into the banking business and increase the rates of interest paid to depositors. The government can, of course, do this and take money away from the banks because it can, if necessary, as done in Manitoba, charge up any deficits which may occur in conducting the business, to general expenditure and at the same time increase the taxes on the banks and other private financial and business institutions to get the revenue.

The trouble with industry is not that there is a shortage of capital but that there is a shortage of orders. The way to get orders is to get production costs down to a basis where goods can be sold to farmers and other producers of wealth at levels in keeping with their incomes.

On the other hand there is a need for credit assistance for many farmers. But we do not think that a government bank is the solution. The immediate call is for cash advances. Many farmers have exhausted their credit. Government co-operation is therefore desirable. But there is a great deal of difference between a loan made by the government and a credit extended through a bank or a mortgage company with the government giving a guarantee. Individuals have a readily understood reluctance to paying off government loans. In regard to the larger question of mortgage credits we are further convinced that more harm than good will be done through government interference. Already the shortage of mortgage money in the West is acute and the moratoria, government loans, taxation, etc., have been an important factor in discouraging foreign investors from renewing their debentures or direct loans.

The idea that by some means of financial magic the government can solve our credit problems is just as fallacious as the idea that we can get out of the present period of industrial and trade depression by preaching good times from the billboards and newspaper advertising pages.

It may be all right to let little children believe in Santa Claus and that there is a land of magic whence good things come from, but sooner or later they will come to a realization that they must work and save for what they get and that government banks and publicly owned utilities are Christmas trees only so long as they are willing to pay for the decorations and the presents.

COMING BACK TO EARTH

THE LEADING European countries are gradually reducing their enormously inflated currency issues which have been such a potent factor in advancing living costs and demoralizing the world's exchanges. As against a ratio of gold reserve one year ago of only 10¾ per cent., the Bank of England showed, at the middle of November, 18⅝ per cent. This strengthening of the reserve ratio has accompanied the 16 per cent. contraction in England's "currency notes" since the maximum of last December. The Bank of France has made encouraging headway also in the same direction with retirement of note circulation since November, 1920, of 2,926,000,000 francs. In Canada the circulation of the chartered banks, according to the last bank statement, was more than $55,000,000 lower than a year before, a reduction of about 23 per cent. These changes afford striking testimony to the fact that the world is addressing itself earnestly to the task of reducing its inflated currency issues and slowly but surely is getting back again to the circulation basis of normal times. This is highly gratifying and, while there are heroic cuts still to be made in the currency issues of many nations, the changes indicated show that the present movement is in the right direction.

RE-CONSTRUCTING EUROPE

AT A MEETING held in Paris last week of industrial leaders and statesmen of five European countries, a scheme conceived by Sir Robert Kindersley, Director Bank of England, and President Hudson Bay Co., for the economic reorganization of Europe, was practically adopted, and there is a good deal of enthusiasm about it. The object is the promotion of a vast international consortium, under Government auspices, of private commercial, financial and industrial interests of each country for making possible the exchange of commodities between producing and semi-pauper countries.

The individual commercial interests of these countries having subscribed to the full extent of their participation in this gigantic international combine, orders are to be taken from consuming countries and allotted by countries according to their participation, payment to be made to the syndicate either in securities or commodities, which, in turn, are to be allotted according to the extent of participation.

The plan, in short, contemplates that should Rumania, for instance, need railroad equipment for which she was unable to pay in cash owing to her depreciated exchange, the order for the equipment would include conditions for payment to be made, first, in such a commodity as oil, of which Rumania has large stocks, and secondly, by handing over control of the railroad system until the debt was either paid out of the profits of operation or, if bonds were given, by an increased value given them by the improved conditions of the railroad. Thus the plan provides rather for barter than for interchange of Europe's depreciated currencies.

All this would be under the official auspices of the European Governments.

EDITORIAL NOTES

THE INGERSOLL watch company has failed largely because labor which turned out a good watch to sell for a dollar began to turn out a poor one which could not be sold at double the price.

* * *

THE BACKERS of the Chippawa power scheme have always been great advocates of power at cost. Now they are afraid that that is the price they will have to pay for it.

* * *

THE CHIPPAWA power scheme is no more a proven success with the turning on of the water than was the Grand Trunk Pacific a success when the first train was run over it.

* * *

WHAT, we ask, had the so-called "enemies of public operation" to do with fighting the proposals for the sale of radial railways by the Dominion Government to certain Ontario municipalities?

* * *

THE NEW MINISTER of Labor would accomplish more by encouraging labor to set a high earning standard than a high living standard. The people rather than the government make a country prosperous or otherwise.

* * *

THE ST. CATHARINES Standard declares that Premier Drury has raised the question of self-government in Ontario. Just so. He has raised the question as to whether the people are to be governed by an elected premier or bossed by an autocratic commissioner of power.

* * *

LABOR CANDIDATES generally met defeat in the municipal elections as they did in the federal election. The people are beginning to appreciate that we must work out our prosperity in the same old way and that the experimental short cuts of the agitators do not lead out of the woods.

* * *

CANADA HAS been by no means fortunate in its post office administration for many years in the opinion of the St. John Telegraph, which observes. "The Postmaster-General should not be some politician pitchforked into office through mere political expediency. A Liberal government should be able to improve very much upon the record of the last ten years. The incoming administration should consider the postal situation afresh, and should ask what reasons there are why it should be bound by the extraordinary postal programme of the outgoing government."

* * *

IT IS INTERESTING to note that the vote against hydro radials and in support of the policy of the Drury government has been strongest in Oxford and in the sections of Toronto where there has been an effort to make known the facts about the Municipal Loan Fund fiasco which was launched in the fifties in Ontario and resulted in the loss of millions by the province. The summary given in this issue was prepared by Dr. J. Murray Clark, K. C., and literature embracing it, together with an outline of the scheme and its outcome, prepared by Dr. J. Murray Clark, K. C., was distributed in the localities referred to.

The Liberals as Tariff-Makers

By FLOYD S. CHALMERS.

A Liberal administration sits in power in Ottawa. The premier is a student of Sir Wilfrid Laurier. He is the man whom Laurier picked as his successor. The minister of finance occupied the same post under Sir Wilfrid. In the cabinet also is Ernest Lapointe whom writers like to speak of as having had the mantle of Laurier as leader of the French Canadian Liberal group thrown around his shoulders. There are others undoubtedly who will be inspired in their actions by Laurier traditions, such men as Graham, Robb, Copp, Gouin.

With such a government what is likely to happen to the tariff? If one can take precedent as a guide not a very great deal is likely to happen. True it is there was much talk of the tariff during the election campaign, but most of it was from the West and such discussion as did arise in the East emanated from speakers who tried to hitch free trade policies to the Liberal platform. It is true that the last Liberal action of the last Liberal government, was to negotiate a treaty with the United States that would have taken the top half a dozen rows of bricks off the tariff walls. But is it not on record, that, when the reciprocity treaty was first announced in the house Conservative members wildly applauded it? Even the Toronto "News," which later led the annexation cry, approved of it. Reciprocity was the old Conservative party policy transplanted to the Liberal platform. Times had changed and the reciprocity treaty proved the final thrust that pierced the vitals of the Liberal government.

In studying the past history of the Liberal party in Canada to attempt to forecast probable trends regarding the tariff one has an excellent authority with the publication now by S. B. Gundy of Toronto of the two volume "Life and Letters of Sir Wilfrid Laurier" by Professor Oscar Douglas Skelton. The work is the authorized biography of the Liberal chieftain and is such a close and careful study of Canadian political history since the times of Sir John A. Macdonald that it might be more correctly considered a history of Canada under Sir Wilfrid Laurier than a biography of that great statesman. Professor Skelton has managed to get a detached view of political movements that is unusual at such close range.

Sir Wilfrid Laurier early in his ministry declared himself a free trader. He had opposed commercial union with the United States when in the opposition. During his famous visit to Britain, he addressed the Cobden Club, which Prof. Skelton calls the "guardian of the Free Trade Arts," and in his address came out strongly for freedom of trade as an ideal. He stated that Canada had made two steps in that direction in the Imperial preference and the adoption of the policy of tariff for revenue rather than for protection.

But for ten years—from 1896 to 1906—the Liberal administration moved but little in the direction of free trade. Imperial preference did more to develop protectionist, it is thought in Britain, than to promote free trade ideals throughout the world and tariff for protection and tariff for revenue are almost twin brothers. Even the Imperial preference was subject to a revision upwards in the case of at least one commodity when the woolen manufacturers of Canada uttered protest and Mr. Fielding in 1904 put into force a dumping clause that could hardly be called a free trade development.

It was not the Liberal party which inaugurated the reciprocity movement Prof. Skelton claims. It started on the other side of the line. After fighting Canada for years on the tariff, putting the bars up skyward, the United States, or rather the Republican party looked for fiscal amity. Canada accepted through Sir Wilfrid Laurier and Mr. Fielding in the same spirit of friendliness. Everyone knows the result——the downfall of the Liberal party. Whether or not reciprocity was absolutely turned down flat by the Liberal people of Canada in 1911 is a question for debate. Professor Skelton suggests that the government had been in office too long; the change was coming anyway. Annexation bogeys; flag waving; cries of "no popery," all played an important part. Sir Wilfrid himself declared that it was not reciprocity but a Roman Catholic premier that defeated the party.

In fifteen years the Liberal party moved but little in the direction of free trade. If one can learn anything from Prof. Skelton's story of the Laurier administration that can be used as a forecast of King policies it would be that the tariff will be revised in but a few cases, chiefly where there is unwarranted protection that enables particular groups of manufacturers to exact too high a measure of profit and that tariff revision will follow meetings and conferences in the open. And if that is a fair forecast who will worry?

Prosperity Advertising

Grain Trade News.

On the hoardings in Winnipeg are beginning to appear those sure signs of badly depressed business conditions the "prosperity advertisements." In one we are all enjoined to "Buy, Work and Create a Job For Every Man. Prosperity for All," in another we are to "Talk and Think Prosperity and It Will Be Here." In Ontario things are worse than here in the West. They must be, for there the government is actually taking the people's hard-earned money in the form of taxes and spending it on advertisements that urge the taxpayers to wish themselves prosperity.

This is one of the most interesting and extraordinary signs of the times—this widespread idea that Prosperity is merely a state of mind, and that if enough people can be persuaded (and who is not willing to be persuaded of pleasant matters), to believe themselves prosperous, that enough money will thereby be started into circulation to relieve the financial tangles and stringency of hard times and ensure a return of those good times when money flows easily and everyone is busy. In the good times no one advertises "Be Prosperous"—they are too busy being prosperous themselves. But when the night follows the day, and the cycle of business swings around to the low point men gather together in divers manners, and talk about remedies. Obviously here is a remedy that is at hand, that will not seriously inconvenience anybody present, that at least will do no harm, and may do some good. It satisfies that very modern craving to "do something" and out they flame on the advertising hoardings.

Imagine, though, the feelings of a farmer visting our city. His wheat, oats, barley, flax, rye, cattle, sheep, wool, hides, hay, butter, eggs, poultry and—let's see, are there any other farm products?—well anyway, most of the things that the farmer produces and sells have this year brought him much less than they brought last year. On the other hand his clothes have cost him nearly as much, his boots nearly as much, his taxes are a bit higher, the wages of his hired man were pretty stiff, the doctor's and dentist's bills were no lower, and lots of other things show only fractional reductions from their inflated prices. Can you blame him for buttoning up, sternly crushing back the natural desire to spend his money, as we all like to spend it, on gratifying our taste, and hiking him back to the farm, where his living expenses are at any rate free of charge, in most important matters, by Mother Nature. If on his way thither he espies one of the Prosperity Advertisements, can you not, in your mind's eye, hear him swear (which is Irish, but realistic).

Let it not be forgotten that in Winnipeg, and in every Western city, we live in the last analysis, on the farmer. From a broad standpoint it is true that the whole civilized world lives on the things that the farmers of the world produce. But in strictly industrial countries like England, and in those parts of other countries where industries are located, the prosperity of the farmer does not worry them. They want cheap bread and meat and materials, and if they get it they will not examine too closely the status of those who produce them. Here in the West it is another story. We, too, want cheap bread and meat and eggs, but if by getting them the farmers cannot pay their debts our banks and mortgage companies are going to suffer, and our wholesale houses are going to run into bad debts and complain of slow trade, and our department stores are going to lay off help, and we are going to have to feed unemployed by hundreds as we are doing this winter, and it isn't any use telling them to imagine themselves prosperous. They want food for themselves and families and we must [illegible] it or there will be trouble.

We are, without doubt, in the grip of great economic laws that regulate the relations of men in industry and production as surely as the law of gravity regulates physical science. There must be a thorough housecleaning. The farmer must do his part by getting back to principles of thrift and care that were too often forgotten during the "good times" while the war was on. Manufacturers, wholesalers and retailers alike must use the utmost efficiency and economy in production and distribution, write off inflated values and reduce prices. Labor must accept lower wages as prices come down, either by doing more work for the same money, or the same amount of work for less money. There must be a general development of every profitable natural resource. We want to put our minerals and our timber and our oil (if we have it) and our coal on the world's markets alongside our wheat and oats. There should be every support of prospecting in these things by those who have capital to manage. With general co-operation of the kind outlined, we will have prosperity once more, and prosperity on a sound basis.

One other essential step must be taken before times can show much permanent improvement, and that is "up to the government." Expenditures on governmental activities must be checked up and strict economies instituted. Taxation must be overhauled and fairly adjusted. Confidence must be restored by the policy of "No interference in legitimate business" being nailed to the legislative mast. And of all these things perhaps the last is the most essential of all.

No Protection On Needed Supplies

The New York Herald, which is the leading advocate of a protective policy in the United States, says that tariff duties on hides, oil and lumber is not a protectionist doctrine and one that the people in the United States would stand for. The Herald says:

> When there will not be domestic oil enough to go around among our own consumers in a short time, just as there is not now domestic lumber enough to go around among our own consumers, the American people cannot have any more use for a Congressman who wants to stick tariff duties on foreign oil to keep it out than they can have use for a Congressman who wants to build a tariff wall to shut out foreign lumber when there is a housing shortage in this country which can be measured, as to the families in need of both better and cheaper houses, only in the millions.
>
> To national legislators who have any regard for the needs of the public in the present, and for the very industrial existence of the country in the future, a duty on hides or oil or lumber is unthinkable.

PERSONAL

CHARLES O. STILLMAN, of Toronto, president of Imperial Oil, Limited, received scalp injuries when he was involved in a motor accident at Bloor and St. George Streets, Toronto, on Monday evening. The car he was driving was struck by a street car. Two other passengers of the car escaped injury.

HON. W. C. KENNEDY, the government appointee to the portfolio of Railways and Canals, is an oil and gas operator at Windsor, Ont. He has been in the House of Commons since 1917, and is regarded in political circles as a forceful speaker and clever politician. He was born in 1868 in the City of Ottawa, the son of William Kennedy, and is of Irish descent. He was educated in Toronto.

HON. J. E. SINCLAIR, minister without portfolio, is a fox rancher of Prince Edward Island. He is president of the Englewood Silver Fox Co., president of the Canadian Farm Products, Inc., and president of the P. E. I. Co-Operative Egg and Poultry Association. He was born in Summerfield, P. E. I., in 1879, the son of the Hon. Peter Sinclair, and was first elected to the House of Commons in the election of 1917.

HUGH L. KERR, elected to the Board of Education in Toronto, in the recent civic elections, is well known in mining circles, and was in at the first rush to the Cobalt district. He was one of three University of Toronto men who staked out the University Mine, and a short time later sold out to a syndicate for approximately $1,000,000. Mr. Kerr graduated from the University of Toronto in 1903, and was a lecturer there for two years. He has owned and operatde for ten years or more through a resident manager an 1,800-acre farm near Regina, and he is one of the few men who has consistently made money by long distance farming.

LIEUT.-COL. W. M. GARTSHORE, of London, who succeeds the late John McClary as president of the McClary Manufacturing Co., and was formerly vice-president and general manager, is thoroughly qualified for the larger responsibilities he has been asked to assume. Col. Gartshore was born in 1853, and has been actively engaged in industrial life since 1873, when he became connected with the London Car Wheel Co. He joined the staff of the McClary Manufacturing Co. in 1876, and has been vice-president and general manager since 1890. He is also a director of the Ontario Loan and Debenture Co. He has always taken a keen interest in military affairs, and entered the volunteer militia service in 1874. He saw service during the North-West Rebellion in 1885. He was formerly provincial vice-president of the Canadian Manufacturers' Association, and is president of the Western Fair Association. He was mayor of London for one term, 1916.

HON. T. A. LOW, minister without portfolio in the King Government at Ottawa, is a successful business man of Renfrew, Ont. He is better known as a lumber merchant and manufacturer, is president of the Renfrew Machinery Co., and the Renfrew Flour Mills, Ltd. Mr. Low's political life dates back to the year 1908, when he was first elected to the House of Commons as representative for South Renfrew. He was re-elected in 1911, but retired in 1912. In the recent federal elections he was again returned. He was born in 1871 in Quebec City, and was educated in the Pembroke schools. He has been connected with the lumber business since 1889, and has been prominent in the industrial life of that community since that date. His other industrial affiliations are the following: President Renfrew Refrigerator Co.; president Renfrew Electric Mfg. Co.; president Renfrew Mfg. Co.; president British Canadian Export Co., and a director of the Renfrew Power Co.

ENTERING THE NEW ERA

After the long period of declining prices in the bond world we are apparently now definitely entering the new era of rising prices. The investor can, however, still get a larger income in this period of low prices for less money than at any time for generations. This condition, we are fully convinced, will soon be a thing of the past.

The foresighted investor with funds available either now or in the near future, will add to the contents of his strong box as many of the highest class securities now available as possible, at the present prices.

The following selections afford investors a wide range of securities, maturities, prices and yields for the investment of year-end or January funds:

SECURITY	DUE
PROVINCE OF ALBERTA 6% Bonds	1st April, 1936
PROVINCE OF ALBERTA 6% Bonds	1st November, 1936
PROVINCE OF BRITISH COLUMBIA 6% Bonds	15th June, 1941
PROVINCE OF ONTARIO 6% Bonds	15th September, 1943
PROVINCE OF ONTARIO 6% Bonds	1st February, 1941
PROVINCE OF ONTARIO 6% Bonds Guaranteeing City of London.	1st November, 1925-41
PROVINCE OF QUEBEC 4½% Bonds (Free from Succession Duties).	1st June, 1946
PROVINCE OF NEW BRUNSWICK 6% Bonds	1st January, 1936
PROVINCE OF SASKATCHEWAN 6% Bonds	1st October, 1940
CITY OF TORONTO 6% Bonds	1st July, 1929-48
CITY OF HAMILTON 5% and 6% Bonds	1922-1940
CITY OF BRANTFORD 4½% Bonds	2nd July, 1930
CITY OF GALT 5½% Bonds	1st February, 1922-40
CITY OF OUTREMONT 5½% Bonds	1st May, 1931
CITY OF VICTORIA 6% Bonds	21st July, 1923-25
CITY OF WINNIPEG 6% Bonds	2nd August, 1940

In addition to the above, we have a selection of bonds of towns, townships, school districts, rural municipalities and an attractive list of odd lot bonds.

We shall be glad to supply copies of our January Investment List on request.

Investment Securities

A. E. AMES & CO.

UNION BANK BLDG. - - - - - TORONTO
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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

TORONTO RAILWAY

Enquirer, McGreary.—Will you please advise me what is the City of Toronto likely to pay for the Toronto Street Railway and when the amount to be paid will be made public?

The award of the arbitration board in the Toronto Street Railway purchase may not be made public for some time as yet, probably not before the spring. We are therefore not in a position to state what is the price the city may have to pay and it would be useless to hazard a guess. Stockbrokers who are interested in the proposition are practically unanimous in agreeing that the price per share will be substantially better than the present market level.

BRITISH-AMERICAN OIL

O. S., Winnipeg.—Will you kindly give me your opinion of the British American Oil Company as an investment for one who has very little money and cannot afford to take a chance?

For one in your position, who has very little money and cannot afford to take a chance, we would prefer to advise government or gilt-edge municipal bonds. The British-American Company has had a most satisfactory record in the business of oil refining, and we believe that its prospects for the future are bright, in view of the fact that it has increased its business in the west, and has large holdings of prospective oil bearing lands. Nevertheless there is a speculative element attached to the securities of this company, as there is with practically every industrial, which makes it unsuitable for one in your position. If you had abundant funds we would not advise against the use of a portion in the purchase of a block of this stock, but under the circumstances we would urge you to restrict your investments to government securities.

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MONTREAL
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BRAZILIAN

Enquirer, Toronto.—Would you advise me to keep Brazilian stock?

Brazilian has tried the patience of its shareholders some years now and it may be some time to come before dividend action can be taken. The adverse exchange makes it impossible for the money to be sent out in the form of dividends without a very heavy loss, payments being nearly three times what they would be if exchange between Brazil, Canada and the United States were on a normal basis. The Company also requires a good deal of money for development purposes and this seems likely to be considered by the management before dividends. If you are content to hold your stock, say for a couple of years or so, we believe in the end that you will be well repaid as the Company from a public utility standpoint is on a strong foundation.

CANADIAN PACIFIC

T.M.C., Toronto—Will you please answer the following: Do you advise me to keep C. P. R. stock?

We would advise you to retain your Canadian Pacific Railway stock. Whatever danger there was from political sources of a movement to place the Canadian Pacific Railway under public ownership would appear to have been removed by the unpleasant experiences Canada is having in deficits from the operation of the National Railways. It did not take the United States long to repent of state ownership of railways and in England any movement there was as a result of control during the war seems to have died entirely. We feel the circumstances underlying our operation of railways will result in a determination to maintain the C.P.R. as a separate organization. It is remarkably well managed and with a financial strength due both to good management and to the growth of the country. There seems no question but that the dividend of 10 per cent. can be maintained indefinitely. Moreover, the shareholders have in the Western lands a very valuable equity that must reflect itself in the selling price of the stock in the near future. C.P.R. must rank as the finest common stock investment in Canada.

PORTO RICO AND QUEBEC RAILWAYS

Enquirer, Newcastle.—I notice two bonds that seem to be on the bargain counter: Porto Rico Railways 5% at 72½ and Quebec Railway 5% at 68. Will you kindly advise me as to the merits of these two bonds, and which bond you would say was the best security and the best collateral for bank purposes.

Porto Rico railway bonds would probably rank ahead of Quebec Railway bonds because the interest changes are well secured by high earnings, Earnings in 1919 were $460,000 and in 1920, $617,553, of which only $191,000 is required for bond interest. Quebec Railway earnings have been very unsatisfactory of late years. Either would make a fair buy for a high yield but if you have in mind the use of bonds for collateral we would advise you to consider issues a little more solid and with a readier market.

PROVINCIAL RIGHTS

Curious, Amherst.—In your report of the case known as The King vs. The Royal Bank of Canada in your issue of December 16th, occurs the following: "First of all, it was argued that the legislature of Alberta, having passed a law guaranteeing the bonds, had a perfect right to repeal that act, but the Privy Council, while admitting this principle, etc."

Does this mean that bonds can be offered and sold to the public carrying a provincial guarantee and in the event of a change of administration or even without such change, the guarantee can be repudiated?

The writer was under the impression that a province was bound by its acts in about the same way as an individual by his signature and the news that such is not the case but that such guarantee can be repudiated at will is somewhat of a shock to the average investor.

The point which you have raised in your letter regarding the right of a province to withdraw its guarantee from bonds even after they have been issued is one that has seldom been adjudicated in a Canadian court and precedents governing the point are few and, we are informed, indistinct.

The privy council in the Royal Bank case admitted the right of a province to repeal its own acts and when a province passes an act guaranteeing bonds it has the privilege of repealing that act, which would have the effect of repealing the guarantee. In the case just mentioned the province of Alberta did pass a law abrogating a guarantee it had given and was upheld in this action by the Privy Council. The decision against the province came upon a totally different point of law.

But there need be no cause for serious worry on your part that this right which is vested in our provinces is going to be used indiscriminately and in a manner that will militate against the interests of investors. The credit of any province that repudiated a guarantee in such a manner as to injure the position of any holder of securities which it had guaranteed would be forever tainted. It would be a suicidal policy. When an investor purchases the bonds of a province he is basing his faith in the investment on the credit of the province—that is on its honor and ability to pay and the same must apply to guaranteed bonds.

Of course in the Royal Bank vs. the Province of Alberta the guarantee was withdrawn when none of the bonds were in the possession of investors.

Canada Should Encourage Development of oil Fields

Regulations Should Be Such as to Make it Attractive for Capital to Come in—Depression Seems to Have Passed in the Oil Industry

By AGNES C. LAUT.

Altogether apart from Canada's disappointment in 1921 over the fact that so little progress was made in developing our huge Northern oil resources, there was great depression in oil circles with the fall in the price of the best oil shares.

The causes of this depression I have already hinted.

There are nine million motors in use in this country; but the panic, which began in November and continued till July of 1921, when it was arrested in a spectacular coup, which I may tell when we are far enough away from it for the telling not to make depositors nervous—drove the nine million motors almost out of business. Men still used the cars, but not for pleasure, not for luxury, only for necessity. The sales of oil fell off.

The prices of oil fell off.

The big companies kept on pumping but they did not push new exploiting. Oil lies securely stored in the earth; but oil pumped up, must be stored when it does not sell as fast as it is pumped; and only a few of the biggest companies had the storage capacity to keep on pumping.

They also bought on the falling market and stored great quantities.

The little companies stopped pumping and they did not exploit a single fresh area.

The Turn of the Tide

Then the tide turned.

The nine million motors are back in use.

Cotton has moved up in price. Wheat is bound to do the same and is moving to Europe in larger volumes. If the United States has a total crop of only 750 million bushels and uses 7 bushels per head for a hundred million people and 100 million bushels for seed, you can do some figuring for yourself; and see where you are at.

And all the Government estimates have proved gross exaggerations. Averages have threshed out very low, owing to the July winds from Kansas to Alberta warping the size of the wheat berry.

To go back to oil—

The steamships, that were taking out Diesel oil burners and putting back coal burners a year ago, are putting back Diesel engines again for oil to-day. This is to save cost of coal and labor.

The United States for two years, have used from 100 to 200 million more barrels than this country can under pressure of highest prices produce.

It has depended for this extra supply on Mexico, which in 1913 produced 25 million barrels, and in 1921 was producing 200 million barrels.

No More Cheap Oil

But the halcyon days of cheap Mexican oil are past.

High taxes, salt water, stopping of drilling—have scared all but the big producers out of Mexico.

The golden flow of exhaustless oil will no longer come from Mexico.

Only the big companies are keeping their output up and they are not enthusiastic to increase production under hostile influences; so the United States goes into 1922 with the prospect of the same oil shortage that sent prices kiting in 1919.

The reaction of this on Canada, who imports 60 millions of oil in kerosene, petroleums and lubricants, I don't need to give.

If she throws her doors open to exploiters, they will come in eagerly. If she doesn't, they won't. They will let the oil lie safely stored in Mother Earth's cellars and let the buyers pay the price.

CURRENT OPINION

BUSINESS MEN SHOULD ENTER POLITICS

George Henry Payne, Editor of The Forum, in the January "Around The Editorial Table" of that magazine, writes:—

"The hopeful part of the situation, however, is that throughout the country business men are beginning to take an interest in politics because they have been driven into it by the activities of the Agricultural Bloc. No sane business man believes in a business bloc—no sane progressive business man will want anything from legislature that is not for the benefit of the entire country, but there comes a time when it becomes necessary not only to educate the country but to educate legislators, and to stiffen them up to be able to withstand the persuadings of those who have a misguided conception of what this country stands for.

"The reactionary Bourbon and Tory element in business is today in a woeful minority. The average business man is as liberal, as broad, and as progressive as Theodore Roosevelt, and if business men enter into politics—put themselves forward as candidates for office—take an active interest in their primaries and are guided by the purpose and spirit of Theodore Roosevelt, they will come very near solving many of the difficulties that confront them at the present day. They will do what is more important—prepare the way for the very vital problems that are going to confront this country and the world in the next ten or twenty years."

BANK STATEMENTS
Quebec Telegraph

Amongst the various institutions of which Canada has good reason to feel proud, one of the highest places must be accorded to our banks. Canada's banking system compares favorably with that of any other system in the world. Not only, however, of the system, have Canadians reasons to be proud but of the institutions established and operated under it and of those by whom they are manned. In the case of almost every important bank in the Dominion it may be claimed that the men at its head, and notably in almost every instance both the president and the general manager are earnest students of the economic and financial life of the country and recognized authorities upon the fiscal and industrial conditions and outlook, not alone of Canada but of the leading financial centres of the world. Their knowledge and their careful studies of these matters are not hidden under a bushel, nor are they concealed for the sole benefit of the institution with which they are connected. On the contrary they are freely placed at the disposal, not alone of the shareholders but of the general public. The great attention commanded by the utterances of Canadian bank presidents and general managers on the part of the public in general and the leading newspapers, financial authorities and governmental experts in particular testifies to the high value attached to them by those best competent to express an opinion thereon. Sir Frederick Williams-Taylor, General Manager of the Bank of Montreal, furnished one of the reasons for the admirable equipment of our leading bankers as financial experts, when in his speech at the recent annual meeting of the Bank of Montreal, he referred to the value of that feature of the Canadian system under which men are trained from their youth upward for the chief executive positions in the service— positions open to all, there being in his bank, he said, —and we doubt not that same may be said of most of the others—no royal road to promotion. This is as it should be, and this accounts very largely, no doubt, for the very exceptionally gifted qualifications of the men at the head and in the other leading positions of our principal Canadian banks.

OUR BANKING SYSTEM
(London Advertiser)

Unless something unexpected turns up, the Bank of Montreal will take over the Merchants Bank. It may take a year or so for the plans to be worked out, but that is merely an item in the general plan.

Financial institutions owe it to themselves, to the public and to other concerns of a similar nature, to be open and frank in their dealings.

The Merchants Bank, until a few days ago, was apparently in good shape. Its stock on the market showed nothing to indicate that things were not in first-class shape. The public is not in a position of going to a bank and finding out things. The elaborate statements handed out annually are accepted in most cases as read by the non-technical public.

The first intimation the public have of anything being wrong is a crack in the market, and the stock registers a drop of several points. Then comes the announcement that an investigation had been ordered of the bank's condition, and as a result it had been found "that the bank's rest was seriously impaired."

In other words, all at once a supposedly strong concern finds out that it cannot carry on, and a stronger bank comes in and takes over the impaired institution.

We are not discussing this from the standpoint of the banker, who may have 150 very fair reasons to give for what has happened but rather from the angle of the average man, in business or agriculture, in whose mind it is necessary right now to build a feeling of optimism and faith for the business recovery that is now taking place. It is positively necessary, if this is to be done, that public confidence in our financial institutions be maintained. Those responsible for the management and inspection of these places owe a duty to the public and to themselves to maintain the high standing that Canadian banking institutions have held.

COMPANY LAWS
(Kingston Standard.)

A report appeared a little while ago that the Ontario Government intended to improve the laws regarding companies, and a statement issued in The Toronto Mail and Empire concerning one company which is in difficulties would seem to point to one direction in which improvement is needed. It would appear that this "company issued capital stock to the amount of nearly $1,000,000, but of that sum $700,000 was issued in exchange for property, patents, etc., of which apparently $100,000 was turned back to the treasury, and sold to realise about $20,000. The committee believes that sales of stock to the general public up to as high as $2 per share, have gone on in the past, but that the stock so sold was for the most part not treasury stock, and the proceeds, in consequence, did not go into the treasury."

The point in this seems on the surface to be that the money paid for patents, etc., prevented the company having sufficient working capital. This has been the case in many companies. Of course it is only right that patentees should be paid for their patents, but should they not be prepared to undertake not to part with their shares till the money which other people have found has proved the success of the patents and earned dividends? The same thing should apply to mines, in fact every company in which some one is a vendor.

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December 30, 1921

NEWS OF THE BOND MARKET

BOND ISSUES WILL FOLLOW BALLOTS TAKEN THIS WEEK

But a Very Large Proportion Of Money By-Laws Failed

WEEK'S BOND SALES

Few Municipal Issues Revealed As The New Year Gets Under Way

The usual crop of loans following the voting on money by-laws at civic elections may be expected during the next few weeks, though the total will be affected to some degree by the large percentage of by-laws that failed to receive assent.

Municipal issues have been few during the past week. Sarnia sold $183,833 of 5, 10, and 15 instalment 6 per cent. bonds to Houser, Wood & Co., at 100.03 which just shades a 6 per cent rate.

Tenderers were:

Housser, Wood & Co.	100.03
R. C. Matthews & Co.	99.85
C. H. Burgess & Co.	99.881
Wood, Gundy & Co.	99.39
National City Co.	99.29
Dominion Securities Corp. ..	99.07
A. E. Ames & Co.	99.03
Canada Bond Corp.	98.732

Blenheim's Bond Sale

Blenheim, Ontario, disposed of $90,000 of twenty instalment 6's to the Dominion Securities Corporation at 99.777.

The tenders received were as follows:

Dominion Securities Corp. ..	99.777
Canada Bond Corporation ..	99.171
W. A. Mackenzie & Co.	99.11
A. E. Ames & Co.	99.09
C. H. Burgess & Co.	98.38
Wood, Gundy & Co.	98.28
McLeod, Young, Weir & Co. ..	97.40
R. C. Matthews & Co.	97.17
Dyment, Anderson & Co. ...	96.53
Gairdner, Clarke & Co.	96.19

Tilbury, Ontario, has sold $42,000 of 20 instalment 6½ per cent. bonds to the Canada Bond Corporation at 102.14.

A Sault Ste. Marie Sale

Sault Ste. Marie bonds to the amount of $124,600 have been placed with Gairdner, Clarke & Co., at 97.37, at which price the town borrows at 5.98 per cent. The bonds are for 30 years and bear 5½ and 6 per cent. interest.

The tenderers were:

Gairdner, Clarke & Co.	97.37
Mackay & Mackay	97.11
Canada Bond Corp.	96.445
Dominion Securities Corp. ..	96.337
C. H. Burgess & Co.	96.16
Wood, Gundy & Co.	95.819
National City Co.	94.407
Housser, Wood & Co.	93.97
MacNeill, Grahame & Co.	93.89
McLeod, Young, Weir & Co., and Bell, Gouinlock & Co.	91.65
A. E. Ames & Co.	90.30

REGINA JUDGMENT EXPECTED SOON

Division Upon Question Of Payment of Sterling Bonds

From Our Own Correspondent

REGINA.—A judgment of far-reaching importance as regards Canadian bonds is expected to be handed down shortly by Mr. Justice Taylor in the Court of King's Bench, Regina Judicial District.

The case is that of the Toronto General Trust Corporation versus the City of Regina, the plaintiff company claiming $3,404 interest on the 1908 issue of debentures by the defendant corporation.

The case for action when the city refused in March and September 1920 to pay interest charges on the debentures—which mature in 1938—at par of sterling exchange. Instead, interest payments were forwarded, computed on the basis of the rate of exchange for the day, which, owing to the depreciation of the pound sterling, were considerably less than if the payments had been made at par.

The bonds which form the basis of the litigation are designated to be payable both as to interest and principal in London, Eng., New York, Montreal, Toronto or Regina.

The point being tested in the courts in this action, is to establish the validity or non-validity of the city's contention. It is expected the case will ultimately reach the Supreme Court of Canada.

The immense amount of Canadian debentures and bonds held externally upon which payment in two or more countries, is specified, makes the outcome one of paramount interest to bond dealers and to bond holders. A decision in favor of the city would have the effect of reducing its obligations and of decreasing the producing value of the bonds from a British or United States investors' standpoint.

BOND UPSWING ADDS MILLIONS TO VALUE

Victory Bonds Have Increased By $89,600,000 On Market in Year

The $2,000,000,000 of War loan and Victory loan bonds outstanding in Canada increased in value $89,600,000 during the year 1921. The extended upward movement in all bonds that developed toward the end of the year was largely responsible for this great addition to the market value of the various Canadian government bonds outstanding. The average increase in market values of these bonds has been somewhat over four points, but even this does not compare with the notable advance of American Liberty Loan bonds which was as high as 10 points in one issue and added $2,000,000,000 to the value of all the issues outstanding.

War Loans

1925	92	96	$1,700,000
1931	91	96	2,700,000
1937	95	100	4,700,000
1922	97	99	3,900,000
1923	96	99	6,000,000
1924	95	98	3,100,000
1927	95	99	2,500,000
1933	96	101	25,000,000
1934	93	98	25,000,000
1937	97	103	15,000,000
			$89,600,000

Victory Loans

The record of Victory bonds in Canada during 1921 has been as follows:

War Loan Issues

	High	Low	Range
1925	96.65	92.00	4.65
1931	96.75	90.05	6.70
1937	102.50	94.50	8.00

Victory Loan Issues

	High	Low	Range
1922	99.95	96.62	3.33
1923	99.50	95.50	4.00
1924	98.50	94.25	4.25
1927	101.00	95.25	5.75
1933	101.80	95.12	6.68
1934	99.45	92.25	7.20
1937	104.00	96.50	7.50

From the low price of the year to the high price the enhancement in value may be estimated at well over $100,000,000.

ISSUE SOLD DESPITE OFFICIAL'S PROTEST

New Westminster Places $200,000 of Bonds With Seattle Firm

From Our Own Correspondent.

VANCOUVER.—New Westminster has sold $200,000 of twenty year 6 per cent. bonds to Blyth, Witter and Co., of Seattle at 92 in Canadian funds. A short time ago the city was offered 95.02. The bonds are payable in Canada or the United States and the funds are required to discharge bank obligations.

The inspection of Municipalities for the province of British Columbia opposed the issuance of the debentures but the city council went ahead with the transaction.

The council has given third reading to a by-law for $614,000 consolidating unsold debentures at present held by the Royal Trust Company as collateral for a $500,000 loan.

SHOULD BE GRADUAL REDUCTION OF DEBT

Thomas Bradshaw Makes Suggestion Re National Indebtedness—Borrow Here

As a means of reducing the national debt, Thomas Bradshaw, general manager of the Massey-Harris Company makes the suggestion that each year there should be included in the federal budget a definite appropriation to be utilized for the outright purchase of bonds on the market which would gradually relieve the country of the heavy burden of interest and principal charges incident to them. For necessary refunding of maturing loans Mr. Bradshaw believes that so far as possible money should be raised in Canada, rather than in the United States. "It is recognized," he says, "that if an issue were made in the United States it might temporarily further improve exchange between the two countries but such a course is merely putting a load upon exchange in the future, through the passing from our country of the funds to pay interest and principal."

CANADA MUST IMPORT CAPITAL FOR YEARS

But We Should Borrow Only For Productive Purposes, Is Advice

That borrowings should be restricted to those for productive purposes is the warning of J. W. Mitchell, vice-president of the Dominion Securities Corporation, in his firm's review of 1921 bond market. Mr. Mitchell says:

That Canada continues to borrow large sums annually from outside sources would be very disturbing were it not for the large capital requirements of our important national assets as yet untouched in the shape of lands, mines, water powers, forests, etc., as against our relatively small population. Following the war, disorganization abroad and unemployment in Canada have operated to largely reduce or prevent immigration, but this condition will greatly improve, especially if some readjustment of European war indebtedness is made to ease that burden. In spite of our increasing ability to supply capital at home, the demands upon us are such that for years we must continue to import capital, offsetting the adverse interest by the stimulus given to our internal activities in the production of greater national wealth. Our Government and municipal authorities, however, must be increasingly careful that our borrowings are for productive purposes, and that adequate sinking funds are established for the extinction of the debt upon its maturity. The borrower who continually desires to renew, ultimately finds his credit impaired.

INTERNATIONAL GROUP OFFERING ONTARIO'S

Province Gets a Very Good Price for $15,000,000 Issue

An American-Canadian syndicate, headed by Aemilius Jarvis & Co. and Kissel, Kinnicutt & Co., are offering the $15,000,000 issue of 5½ per cent. fifteen year bonds of the Province of Ontario in the New York market. The bonds were sold to the syndicate, which included in its Canadian section the Dominion Bank, McLeod, Young, Weir & Co., and the Canada Bond Corporation, at 101.4537.

The sale and the price are evidence of the strong position to which the bond market has attained. The drop in the premium on New York funds during the past two or three weeks affected the bid to some degree but it was nevertheless well above the price received by Ontario for its last issue made in September.

This was the first 5½ per cent. coupon issue Ontario has made in nearly two years.

The bids received were as follows:

Aemilius Jarvis & Co., Dominion Bank, McLeod, Young, Weir & Co., Canada Bond Corporation with Kissel, Kinnicutt & Co. and other U. S. A. houses—101.4537

R. A. Daly & Co., Lee Higginson & Co. and E. H. Rollins & Co.—101.296.

Wood, Gundy & Co., Chase Securities, Kuhn, Hoef & Co., and Hallgarten & Co.—100.38 National City Co., Dillon Read & Co., Dominion Securities Corp., Harris, Forbes & Co. and Guaranty Trust Corp.—98.946

FLEXIBLE FINANCE SASKATCHEWAN'S AIM

From Our Own Correspondent

REGINA.—At the session of the provincial legislature which convenes January 12, the provincial government purposes bringing down legislation enpowering municipalities to issue debentures against their arrears of taxes up to the end of 1920. The measure will be a permanent one it is understood, and its effect is anticipated to render civic financing more flexible.

Should the measure pass, cities and municipalities in the province will be enabled—even if tax collections are slow—to proceed with necessary civic works up to the point estimated in the yearly budget.

Tax collections for the city of Regina have been in the main satisfactory during the present year. In spite of the depression suffered by the agricultural industry because of low grain prices and the late rains, receipts are fairly brisk. Up to December 31, the city had received approximately $115,000 in taxes.

BOND MOVEMENTS OF THE WEEK

Latest price, week ending January 3. ...

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High.	Low.	Range 1922. High.	Low.	Ask.	Bid.	High.	Low.
Can. Cement	6	1929	6.47	95	89	97	..	..	94	97	97
Can. Converters	6	1926	8.30	87½	87½	..	..	90	..	90	90
D. Canners	6	1940	6.95	86	86	..	..	..	90	90	90
Dom. Cotton	6	1922	7.05	99¾	96	99	..	..	99	99	99
Dom. Iron	5	1929	7.90	83	75	83	..	..	82	83	82½
D. Textile (b)	6	1925	6.85	98	92	..	..	..	97½	97	97
Lake of Woods	6	1923	6.52	99	98	99	..	..	98½	99	99
Montreal Sep. '23 ..	6	1923	6.00	100	97¾	..	..	100	..	100	100
Montreal Dec. '22 ..	6	1922	1.40	108	104	..	..	104¼	..	104¼	104¼
Montreal Trams. ..	5	1941	6.03	90½	82¼	..	..	90	..	88	88
Ogilvie	6	1932	6.00	100	92¼	..	..	..	100	100	100
Penmans	5	1926	7,68	89½	85	..	..	90	89	89	89
Quebec Ry.	5	1939	8.50	68	59	66¼	66	..	65	69	64¾
Rio..	5	1935	6.77	81	62	..	..	85	84	84¼	84
Steel of Can.	6	1940	6.17	98¼	88½	..	..	98½	97½	98	97½
Wayagamack	6	1951	8.65	78¼	69½	..	..	..	70	70¼	70
War Loan (1925) ..	5	1925	6.05	96.60	92.00	96.30	96.25	..	96.50	96.50	96.15
Do (1931)	5	1931	5.48	96.60	90.05	96.65	96.55	97.00	96.70	96.65	96.20
Do (1937)	5	1937	5.00	102.50	94.50	100.50	100.00	100.00	99.50	100.55	100.
Victory (192)	5½	1922	6.18	99.55	96.62	99.50	99.10	99.45	99.35	99.60	99.10
Do (1923)	5½	1923	5.92	99.50	95.50	99.20	98.75	99.25	99.20	99.25	98.75
Do (1924)	5½	1924	6.08	98.50	94.25	98.45	98.00	98.50	98.35	98.45	98.00
Do (1927)	5½	1927	5.51	101.00	95.25	99.95	99.90	100.00	99.70	100.00	99.20
Do (1933)	5½	1933	5.33	101.80	95.12	101.50	101.50	101.25	101.45	101.50	100.75
Do (1934)	5½	1934	5.66	99.45	92.25	98.60	98.30	98.55	98.45	98.60	97.95
Do (1937)	5½	1937	5.16	104.00	96.50	103.65	103.45	....	103.50	103.65	103.20

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CIVIC AND PROVINCIAL FINANCE

YORK TOWNSHIP'S GROWTH AMAZING IN PAST DECADE

Expansion Has Been Reason For Its Heavy Borrowings

POPULATION IS 53,000

Schools, Waterworks, Pavements, Sidewalks, Etc., Have Demanded Funds For Construction

Census returns, as they are published, indicate some large increases in population in many cities in Canada. But the community that is likely to show the most surprising increases in its population is not a city nor even a town. It is an Ontario township, presided over by a reeve, a deputy reeve, a second deputy reeve, a third deputy reeve and a councillor. But York township is not an ordinary township. It has a population of 53,000 which makes it rank with many of the larger cities of Canada.

York Township, which has attracted more than ordinary attention from bond men and investors because of the great number of new bond issues it has made during the past ten years is a part of the greater metropolitan area of Toronto which it surrounds on the north.

Portions of the township have been absorbed into the city during the past ten years or the total population would have shown an even greater increase. Some comparative figures indicating the growth of the township may give a clue to the necessity for the borrowing that has been done:

Population, 1910	11,561
Population, 1921	53,000
Assessment, 1910	$ 6,781,028
Assessment, 1921	29,771,616
Tax Income, 1910	$ 101,053
Tax Income, 1921	1,489,005
Value of schools and land—	
1910	$ 205,349
1921	1,361,607
School Levy, 1910	$ 38,965
School Levy, 1921	585,614

Area, 81 square miles.
Mileage of streets, 313 miles.

Some Other Statistics

New schools have been built in many parts of the township and in its educational facilities it takes high rank. During the 10 year period, 74 miles of sidewalk have been built, 36 miles during 1921. Eight miles of pavements have been laid, three miles of it having been laid during 1921. There have also been added to the improvements in the township five miles of sewers and bridges, water system, etc. The water system is now very extensive there being over 90 miles of watermains serving 8,000 families.

In building permits issued York township has indicated the expansion that has been going on. During the past year building permits totalled well over $8,000,000 and it is likely that the township will rank about third among all the cities and municipalities of Canada in this respect.

Ultimately the largest part of the town will probably be included in the City of Toronto and its debenture debt will be assumed by the city. But this development is not in the immediate future. The people of the township have lower taxes with all city conveniences and are not anxious to enter into the city, and the city of Toronto on the other hand has adopted the policy that amounts to "no annexations of areas until all local improvements have been paid for." But the bonds rank high among municipal issues because of the proximity of the township to the city, the low net per capita debt, the comparatively low tax rate, and the rapid development that has taken place.

Figures concerning the township's debt are as follows:

Assessed value for Taxation		$29,673,308
Exemptions not included above		1,964,410
General Debenture Debt		4,312,529
Less Waterworks Debentures	$ 514,759	
Local Improvement Debentures	1,410,746	1,925,505
Net debenture debt		2,387,025
Value of municipality's assets (approximately)		4,100,000

A. E. Leger, formerly manager of the French department of Nesbitt, Thompson & Co., Limited, Montreal, has severed his connection with that firm.

J. A. McEvoy, solicitor for La Paz Oil Corporation, has left for Mexico, accompanied by Lt.-Col. J. F. H. Ussher.

SURPLUSES A QUARTER OF WAR EXPENDITURE

This Much Has Gone To Capital Account in Six and One Half Years

In an article on investment conditions in Canada, J. H. Gundy of the Wood, Gundy & Co. makes the estimate that almost $500,000,000 of capital expenditures has been made by the Dominion Government out of surplus current revenues during the past few years, Mr. Gundy says:

Despite extraordinary war expenditures, it is interesting to note that during six and a half years, ending December 30, 1921, Canada's budgets have shown a surplus equivalent to more than 25 per cent. of it. These surpluses, year by year, were:

1916	$41,797,000
1917	84,101,000
1918	82,494,000
1919	80,215,000
1920	39,000,000
1921	94,000,000
1921 (6-mo., Mar. to Sept.)	66,000,000
	$487,607,000

Tenders and By-Laws

TENDERS AND By-LAWS

Jan. 21, Moose Jaw—$29,812, 6½ per cent., 5 year debentures, Geo. D. Mackie, City Commissioner, Moose Jaw. (See announcement on page 16).

Jan. Dryden, Ont.—$12,500, 6 per cent. 15-instalment, for telephone and electric light extension, J. E. Gibson, clerk. (See announcement on page 16).

Jan. 16, Alberta—$3,846,000, 5½ per cent. 25-year gold debentures. Provincial Treasurer.

BY-LAWS PASSED OR DEFEATED

Brantford—$130,000 for sewers. Passed by the ratepayers on Jan. 2.

Brockville—$10,000 fixed assessment to J. R. Baxter Co., Montreal. Passed by ratepayers on Jan. 2.

Kingston—$99,000 for hospitals; $7,000 for bridge. Passed on Jan. 2; $30,000 for bridge, defeated.

St. Thomas—$31,000 for industrial area. Passed on Jan. 2.

Sault Ste. Marie—$12,000 to straighten Fort Creek. Passed on Jan. 2.

Windsor—$130,000 for park purposes. Passed on Jan. 2.

Welland—$20,000 for athletic rooms. Defeated on Jan. 2.

Kitchener—$250,000 for city hall; $80,000 for purchase of land; $63,000 for extension to street railway. Passed on Jan. 2.

Ottawa—$50,000 for playgrounds; $10,000 grant to Great War Veterans' Association, defeated on Jan. 2.

Almonte—$300,000 for waterworks. Defeated on Jan. 2; $6,000 for fire equipment. Passed.

Bridgeburg—$30,000 for new town hall, $30,000 for additions to school. Passed on Jan. 2.

Cochrane—$20,000 for public utilities; $6,000 for teacher's residence. Defeated on Jan. 2.

Collingwood—$1,300 grant to Citizens' Band. Passed on Jan. 2.

Cornwall—$75,000 for addition to school. Passed on Jan. 2.

Niagara Falls—$40,000 for paving plant; $11,000 for fire trucks. Passed by the ratepayers on Jan. 2.

Paris—$60,000 for school. Defeated on Jan. 2.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from December 17th to December 25th, 1921.

Schools—Kildare, $4,100; Galabank, $1,100.

Rural Telephone—Donwell-Canora, $3,600; Naisby, $700; Vawn, $5,300; Last Chance, $1,200; Valbrand, $15,750; Radant, $700; Winter, $5,250; Glenrose, $3,000.

The following is a list of debentures reported sold from December 17th to December 24th, 1921.

Schools—Jasmin, $2,000, 10 years, 8 per cent., Geo. Moorhouse, Regina.

Rural Telephones—Dilke, $600, 15 years, 8 per cent., Miss A. P. Morton, Dilke; Beatty, $15,000, 15 years, 8 per cent., Geo. Berwick, Regina; Ridpath, $4,000, 15 years, 8 per cent., C. C. Cross & Co., Regina; Vawn, $5,300, 15 years, 8 per cent., W. M. Houston & Co., Regina; Montrose, $1,800, 15 years, 8 per cent., C. C. Cross & Co., Regina; Goleville, $3,900, 15 years, 8 per cent., C. C. Cross & Co., Regina; Veregin, $1,400, 15 years, 8 per cent., C. C. Cross & Co., Regina; S. W. Moosoning, $650, 15 years, 8 per cent., C. C. Cross & Co., Regina; Star City, $8,250, 15 years, 8 per cent., C. C. Cross & Co., Regina; Liberty, $1,100, 15 years, 8 per cent., Regina Sinking Fund; Ingleside, $4,100, 15 years, 8 per cent., R. O. Berwick & Co., Regina.

Town—Milestone, $2,000, 15 years, 8 per cent., Jas. Glenn, Milestone.

DIVIDEND PROPOSED

Western Canada Investment Shows An Increase in Profit

According to the annual report of the Western Canada Investment Co., submitted to shareholders at the annual meeting in London a few days ago, total revenue for the last fiscal year amounted to £21,110 as compared with £19,094 in the preceding year. The increase was accounted for by the profit on exchange. Expenses in London and Canada were slightly in excess of the preceding year, owing to increased taxation in both countries. After paying all management expenses and debenture interest and providing for taxation liabilities for the year, the net revenue is £8,233, as compared with £7,748, last year. To this has been added the amount carried forward of £5,300, making a net available balance of £13,533. After deducting the preference dividend, there is a surplus of £8,533. It is proposed to recommend the payment of a dividend on the ordinary shares of 5 per cent., absorbing £2 500, to place £1,000 to reserve, and to carry forward a balance of £5,033. The reserve fund now amounts to £15,000.

PROVINCIAL GRANTS DUE FOR REVISION

Likely To Be Readjustment Of Subsidies From Dominion Government

With the announcement of the new census figures there is likely to be a further revision of the subsidies paid annually by the Dominion government to the various provinces. The basis of these subsidies was last revised in 1917 when it was determined that the provincial governments should receive a fixed grant according to population and a grant of 80 cents per capita up to 2,500,000 population and 60 cents over that.

Prince Edward Island receives an additional $100,000 by special allowance and Manitoba's payments were revised at the time of the extension of its boundaries. The payments in 1920 were:

Ontario	$2,396,379
Quebec	1,969,630
Saskatchewan	1,753,075
Alberta	1,621,075
Manitoba	1,470,991
New Brunswick	637,976
Nova Scotia	636,667
British Columbia	623,135
Prince Edward Island	381,932
	$11,490,860

Since Confederation the Dominion has paid out $296,573.482 to the provinces in grants and subsidies. The amount of the per capita allowances and the total payments having been as follows:

P. E. I.	$4,003,768	$10,826,756
N. S.	17,496,613	25,637,390
N. B.	13,413,831	26,460,957
Quebec	55,266,112	64,598,455
Ontario	69,786,022	78,998,323
Manitoba	9,445,959	30,267,006
Sask.	5,945,023	22,328,565
Alberta	4,747,557	20,637,348
B. C.	6,006,496	16,818,682
		$296,573,482

FIELD CROPS VALUED AT $1,017,675,400

Representing a Large Decline From Previous Year—Prices Slump

A falling off in value of Canadian field crops for the year 1921, as indicated by the preliminary report of the Dominion Bureau of Statistics, is not unexpected in view of the slump in prices. For the whole of Canada the total value of the field crops of 1921 amounts to $1,017,675,400, as compared with the final estimates of $1,455,244,050 in 1920, and $1,537,170,100 in 1919, the highest aggregate on record.

The total for 1921 comprises $283,234,000 for wheat, as compared with $427,357,300 in 1920 and $457,722,000 in 1919; $188,051,000 for oats, as against $280,115,400 and $317,097,000; $30,282,000 for barley, as against $52,821,400 and $69,330,300; $22,084,900 for rye, as against $15,085,650 and $14,240,000; $43,389,500 for other grains, as against $86,296,700 and $114,250,000; $84,616,000 for potatoes, as against $129,803,300 and $118,894,200; $296,799,000 for hay, clover and alfalfa, as against $366,571,900 and $353,892,400; and $69,219,000 for other root and fodder crops, as against $97,192,400 and $91,744,200.

Unit prices are considerably less than they were in either of the two preceding years. For wheat the price per bushel for 1921 is only 11 cents above the pre-war average, whilst for oats and barley the prices per bushel are somewhat less. As compared with 1920, wheat for the whole of Canada averaged 86 cents per bushel as compared against $1.62 for the previous year; oats 37 cents as against 53 cents, and barley 47 cents as against 83 cents.

The following table is a comparative summary of the value of all field crop by provinces for the past three years:

Province	1919.	1920.	1921.
P.E.I.	$ 22,367,400	$ 18,153,400	$ 16,530,500
N.S.	63,357,000	47,846,550	33,992,500
N. B.	53,134,400	46,358,300	38,051,400
Quebec	309,963,000	330,251,000	192,773,000
Ont.	383,573,900	375,746,900	236,907,000
Man.	182,097,200	133,989,900	93,128,000
Sask.	340,029,600	271,213,000	297,414,000
Alta.	158,044,400	204,291,500	88,985,000
B. C.	24,603,000	27,017,500	19,895,000
	$1,537,170,100	$1,455,244,050	$1,017,675,900

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

DATE— PLACE—	SOLD TO—	Rate	Terms	Amt.	Price	Basis
Dec. 30—Sarnia, Ont.	Housser, Wood & Co.	6 %	5, 10, 15 in.	$183,833	100.03	5.99
Dec. 30—Sault Ste. Marie	Gairdner, Clark & Co.	5½ & 6%	30 yr.	*124,600	97.37	5.98
Dec. 30—Tilbury, Ont.	Canada Bond Corp.	6½%	20 in.	42,000	102.14	
Jan. 3—Blenheim, Ont.	Dominion Securities	6 %	20 in.	90,000	99.777	
Jan. 4—New Westminster, B. C.	Blyth, Witter Co.	6 %	20 yr.	200,000	92	*
	PROVINCIAL					
Jan. 4—Ontario	Jarvis Syndicate	5½%	15 yr.	15,000,000	101.4537 *	

*Payable N. Y.

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EUROPEAN NATIONS' STRIKING RECOVERY

People Have Got Down to Work, As Reflected by Foreign Trade Improvement

By HAYDEN STONE & CO.,
Investment Specialists, Boston

As the year draws to a close it becomes pertinent to review, briefly, the events of the past twelve months; to see what progress, if any, has been made, and from this to draw such conclusions as are possible as to the future. The first feature that would strike one perhaps is the things that did not happen. A year ago, we were at the bottom of the financial depression and about half way through the business depression; commodities were falling precipitately; there seemed to be no stopping the decline. Europe was in a turmoil and there was no telling what economic or social upheaval might take place. Severe as has been the adjustment, the worst fears—as is usually the case—have not been realized. The world is once more on a fairly even keel — not without problems to be solved, but with the worst distinctly behind us, and with every reason to believe that the remaining problems will be disposed of.

Perhaps, because we can get a broader perspective of it, the European recovery seems the most striking. While reports are somewhat conflicting—all seem to agree on one point; that people there have got down to work; the result is seen in their foreign trade balances, which have made great gains. All important European exchanges, with the exception of the German, are well above the level of a year ago. The German situation is still fraught with peril, but the very fact that the danger is realized argues well for the probability that it will be averted. There are still many sore spots in eastern Europe, but these at any rate are no more than a year ago.

INSURANCE AND REAL ESTATE

EXCHANGE DRIVES OUT THE SMALLER LIFE COMPANIES

Find it Unprofitable to Transfer Canadian Funds to United States

INVEST IN CANADA

New York Insurance Co. Disposes of its European Business--Will Continue to Operate in Canada

From Our Own Correspondent

NEW YORK.—The decision of the New York Insurance Company to dispose of its European business, will not affect its Canadian business in any way. It will not follow the lead of the Equitable Life Assurance Company of this city in putting a stop to the writing of any further business in Canada, but will carry on as usual according to an announcement made by President Kingsley this week. It is said to be writing new business rapidly in Canada and expects to continue to do so.

Naturally enough all the American companies have ben hampered in their relations with Canada in the past few years by the Canadian exchange situation. In this case as in the case of most of the European countries but more particularly in the case of Germany and France, the high premium on the American dollar made it decidedly unprofitable to attempt to transfer funds from Canada to the United States. While the ultimate effect was in the case of Canada to drive most of the smaller life insurance companies out of the Canadian field, it compelled some of the larger companies like the New York to segregate their Canadian business and to re-invest their profits in Canada.

The general effect of this situation has been to benefit the Canadian life assurance companies. It has not only driven out of Canada some of their strongest American competitors but has induced great numbers of Canadians residing in the United States to take out insurance in Canadian companies. Having faith, like President Kingsley, in the ultimate return to par of the Canadian dollar, they could not resist the opportunity to take advantage of the discount on the Canadian dollar in the United States when paying their life insurance premiums.

CONTROL OF LONDON MUTUAL FIRE CHANGES

Hartford Fire Purchases Stock Interest—To Operate As Tariff Company

The London Mutual Fire Insurance Co., one of oldest Canadian insurance companies engaged in a strictly non-tariff business has passed under the control of the Hartford Fire Insurance Co., of Hartford, Conn., through the purchase of a majority stock interest. A. H. C. Carson, president of the London Mutual, who made this announcement, stated that the transfer of control did not involve any change in the present organization of the company, as the same directorate, management and staff would continue to operate, with provision of course for the appointment of a representative of the Hartford company on the board of directors. The company will continue to bear the same name, and but one change in policy is contemplated. For the past sixty years, and in fact from the date of incorporation in 1859, the company has operated as a non-tariff company, but its policy in this regard is being revised and application is being made to the Canadian Fire Underwriters Association for permission to engage in the writing of tariff insurance. Agents of the company are being advised that all future business be written at tariff rates and under tariff conditions. The reason for the transfer of control has not been made public, but it is understood that the association with the large American company, and with its guarantee at the back of the policies, the position of the policyholders as well as the shareholders of the company will be materially strengthened.

The last annual statement of the London Mutual showed gross income receipts of $1,103,470, with net income of $645,899. After all charges there was a balance to surplus account of $18,325. Assets totalled $1,083,905, including liquid assets of $792,863. Against this there were current liabilities amounting to $297,948, and the company had established a reserve for reinsurance to the full government standard of $421,428. Cash surplus to policyholders amounted to $222,950.

MORTGAGE DISCOUNT

Report Shows Profits of $13,500 Investment in Mortgages

The first financial statement to be issued by the Mortgage Discount and Finance Limited, organized a little over a year ago, and operating for seven months only in the period ending November 30 last, shows net profits amounting to $13,500. After dividends on the preferred and provision for federal income tax there is a balance of $3,240. Assets total $1,183,876, and current assets $61,164, as against current and deferred liabilities together totalling $76,960. Investments in first second and third mortgages with interest accrued amount to $419,554. Deferred stock outstanding totals $837,050, and common $600,000. There is in addition $170,670 common subscribed. Deducting the unpaid portion of the stock outstanding there is a balance of $1,096,257.

MORTGAGE MONEY AVAILABLE AT 7%

May Portend General Lowering of Rates—Money Easier In February

While the prevailing rate on mortgage money in Toronto still stands at 7½ per cent., money is obtainable in limited quantities at 7 per cent. on highly preferred property. The fact that money can be procured at this rate is a hopeful sign, and is taken in some quarters to portend a general lowering of the mortgage rates in the near future. Cheaper mortgage money would be a boon to the business of this country, and especially to the west, which has been handicapped by rates ranging from 8 to 9 per cent.

The borrowing public are reminded that loans can usually be placed to best advantage in the month of February. There are plenty of funds available in that month and rates are generally easier. This condition probably arises out of the accumulation in the hands of the banks and other financial institutions of money that went out in the fall months in payment of the season's crops, and in part too to the fact that with the return of the year many dividends fall due, and this money in circulation is seeking profitable investment.

REAL ESTATE FAIRLY ACTIVE IN CALGARY

Larger Volume of Construction Than in 1920—Many Homes Built

From Our Own Correspondent

CALGARY.—The building permits for the present year will amount to approximately $2,750,000, and these are composed of inside offices, store buildings and residences. The construction of the former is for the greater part on 8th Avenue West, the main thoroughfare, and of the latter, in the better class residential districts, principally Elbow Park, the permits for 1921 will about equalize those for 1920, but more actual construction work has been done this year, for while two large permits were taken out in 1920 for the Capitol and the Allen Theatres, yet the actual work was not done until 1921.

The construction of residences has been quite marked and they are of a most modern type. The sale of homes has been fairly active and more especially amongst the skilled mechanic class who are exercising every effort to own their own homes. We would say that the cost of building is down about 25% from 1919 prices, but this is due more to the reduction in the cost of material than the price paid for labor. Plumbing, however, is still very high, and plumbers' and bricklayers' wages have experienced very little reduction so far. We think, however, that building will be cheaper in every respect in 1922.

REAL ESTATE TRANSFERS

London Property Sells at $1,000 Per Foot

From Our Own Correspondent

LONDON.—Another deal in down town property has been completed with the result that the last of the small theatres in the business district will be removed and will be replaced by a splendid retail store. The frontage on Richmond St. occupied by the Star Theatre is now the property of W. F. Boughner, gents' furnisher, whose premises were recently purchased for a large jewelry store by C. N. Sumner. They are almost adjacent and the frontages are among the best locations in the city. It was stated to FINANCIAL POST that the prices were approximately $1,000 per foot.

London cable quotes "Bankers' Magazine" compilation of 387 representative securities, with aggregate value of £2,332,346,000, as showing 1.4% advance in December or £33,086,000.

NEW POLICIES IN GROUP INSURANCE

A New Year's Gift For Employees of Johnston and Ward

A unique New Year's gift, and one that is assured of lasting appreciation, was presented to the employees of the financial house of Johnston & Ward of Montreal, in the shape of a substantial policy of life insurance, taken out under the group plan and placed with the Sun Life Assurance Co. of Canada. This action is indicative of the movement that has been growing among commercial houses toward group insurance as a means of protection for employees. Formerly group insurance was mainly resorted to by industrial employers who chose this as the simplest means of holding their employees and cutting down expenses arising out of labor turnover. With the supply of labor more than equivalent to the demand there is no longer the same need for insurance for this purpose, and in fact many employers have definitely postponed action until industrial conditions are normal, and their plants running to capacity with a full complement of workers.

The mercantile, financial, and business houses, the number of whose employees does not vary greatly in accordance with business fluctuations have taken advantage of the low group rates offered by the insurance companies, to place the protection of insurance on the lives of their staffs. The Sun Life, during the past month issued a group policy covering the members of the National Catholic Syndicate of Typographers. Each member is protected under the scheme to the extent of $1,000. Quite recently a contract was placed with the Sun Life by the Bank of Hochelaga, under which the whole of the latter company's employees were assured for sums ranging from $500 to $5,000.

NOT MUCH HOPE OF REVISION OF U. S. TARIFF DOWNWARD

(Continued from page 3)

maintains its power, any duties such a permanent tariff imposes will likely be higher if anything than the duties imposed by the Emergency Tariff. The farmers, right or wrong, are determined to have what they regard as protection for farm products, and as matters now stand no matter how strongly the Eastern business interests may oppose the granting of such protection, they seem likely to get it.

Larger Pulp Exports

There may, and probably will, occur a marked improvement in the volume of pulp and paper imports from Canada, however, during the next twelve months. This increase will not likely be large enough to offset to any degree the loss which has occurred in the volume of Canadian imports to this country during the past six months. A very definite increase of business activity will take place during 1922 in the United States. Advertising will increase and with it a demand for newsprint. Canadian mills have already felt the effect of the business recovery which is under way in this country. They will likely feel it to an increasing degree as the year goes on. Foreign overseas competition there may be but it will not be great enough to seriously affect the increase. In spite of the efforts of Germany, and the Scandinavian countries, Canada will continue to be the United States' one great source of supply so far as newsprint is concerned. Price cutting on the part of Germany may continue but eventually paper manufacturers here believe the United States and Allied Governments will succeed in forcing the German Government to abandon its policy of subsiding German paper manufacturers either directly or through subventions or indirectly by means of large issues of worthless paper money. Success in this direction will mean the disappearance of cut-throat foreign competition in the newsprint market of the United States.

Most Canadian bankers look for a continuance of the investment of American capital in Canada. While some $163,000,000 of American money found its way into new Canadian issues during the year 1921, not to mention the extensive buying of Canadian internal securities of all kinds by Americans which occurred, the year 1922 it is expected will be even more important from this point of view than was its predecessor, Canadian bankers here are confident that at least one-third of the big refunding issue which the Dominion Government must float during the coming year will find its way into this market. The success of the recent $25,000,000 Canadian Pacific Railway loan here they believe will bring other similarly attractive issues in its train. The growing accumulation of investment funds in the United States, the improved position of the Canadian dollar in the United States, the attractiveness of Canada as a field for the investment of Canadian funds—all these things it is believed will work toward producing a degree of interest in Canadian securities and Canadian issues which will probably make the year 1922 a record year in this respect at least.

Accommodation To Spare

It does not seem probable that any marked increase in the number of American branch factories in Canada will increase. Such an increase will have to wait upon an improvement in the internationl trade situation, an improvement which is absolutely necessary if many American manufacturing plants are to find an outlet for output which was in many cases so materially increased during the war. Most of the American manufacturers who would be interested in establishing Canadian branch plants already have plant and enough to spare.

All in all, allowing for all the uncertainties, political and economic which enter into any consideration of the immediate future of the relations, commercial and financial between Canada and the United States, it is perhaps safe to say that the year 1922, will see further progress made in the direction of that normal relationship which existed for so many years before the outbreak of war in 1914.

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British America Assurance Co.
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Assets over - - - $4,400,000.00
Losses Paid Since Organization, over - $50,000,000.00

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Incorporated 1851
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Assets over - - $7,900,000.00
Losses paid since Organization - - $81,300,000,000
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PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

Porto Rico

The November statement of earnings of the Porto Rico Railways Company shows gross amounting to $109,277, compared with $122,221 for the same month in 1920, a decrease of $12,943 or 10.50 per cent. Net for the month at $36,828 was lower by $21,667 or 37.04 per cent.

For the eleven months ending with November, the gross totalled $1,219,698, a decrease of $53,762, or 4.22 per cent., while net amounting to $451,411 showed a decrease of $67,700, or 13.04 per cent.

MINING STOCK QUOTATIONS

	High	Low	Close	Sales
Adanac	1	⅞	1	18000
Apex	1	....	....	9000
Atlas	7	5½	5½	13000
Bailey	2½	....	....	1000
Beaver	18	17¼	18	2500
C. Smelters	18½	18	18½	160
Coniagas	1.35	1.31	1.35	800
Cr. Reserve	10	7½	10	2600
D. Mines	19.95	19.65	19.95	515
Foster	1½	....	....	2000
Gifford	½	⅜	⅜	7000
Gold Reef	1¼	....	....	16500
Gt. North.	1¼	1⅛	1¼	5000
Hargraves	1	⅝	1	2500
Hollinger	7.77	7.68	7.77	3820
Hunton	7	....	....	1000
Keora	9¼	8½	9	3500
Kirk. Lake	28	27	27¼	5500
La Rose	34	32	32	3015
L. Shore	1.32	1.25	1.32	3400
Inspiration	2	....	....	5000
McK. Darragh	2.16	2.00	2.15	27500
McIntyre	14½			6,500
Min. Corp.	1.05	..	....	300
Moneta	7½	....	....	7000
New Ray	4⅞	4½	4⅞	9000
Nipissing	7.00	6.75	6.85	735
Ophir	1½	1¼	1½	7000
Peterson L.	4¾	4½	4¾	3500
Porc. Crown	12½	10¾	10¾	10500
Prest. E. D.	2¼	....	....	10000
Schumacher	31	30¼	31	16500
Silver L.	1	....	....	5000
T. Hughes	16¼	15	16¼	27000
Temiskaming	26	25½	25¾	4500
Thomp. Kr.	2¼	2	2	16000
Trethewey	6½	5¼	3⅛	76000
Por. V.N.T.	17¾	17	17¾	6500
W. Dome	5½	5⅛	5⅛	24000
Wasapika	3	....	....	6000
W. Tree	2⅜	2¼	2⅜	1500

MINE OPERATORS APPLY FOR BOARD OF CONCILIATION

Asked to Accept Wage Reductions Approximating 33 1-3 per cent.

U. S. COMPETITION

Nova Scotia Mine Owners Must Get Production Costs Down To Keep Mines Operating —A Political Issue?

From Our Own Correspondent.

HALIFAX.—The break-down of the negotiations between the Nova Scotia coal companies and the United Miners looking to a new working agreement and the prompt announcement by the operators of wage reductions approximating 33 1-3 per cent. have caused some surprise, for though wage reductions were regarded as inevitable there was no general expectation of such drastic reductions. The situation at present is not, however, causing any special anxiety. The miner's leaders have applied for a Board of Conciliation, and though in some districts the miners are declaring that they will not enter the mines at the new wage schedules, second thoughts will probably suggest the advisability of letting matters drift pending the outcome of the application for conciliation.

Probably the companies would not be seriously annoyed if operations were suspended for a time, and the Miners Union is in no position for a prolonged strike. The International organization is fighting dissension in Kansas and troubles in Virginia and elsewhere, and its funds are at a low ebb; the Nova Scotia locals have been paying special levies to help American miners, and also levies to help a small army of unemployed men at home.

Reduction in Costs Necessary

The companies hold that a reduction of production costs is necessary to enable them to get down to competitive prices and keep the mines in operation. Heretofore, New Brunswick has been an important market from their winter output, but according to the St. John Globe, "the New Brunswick Power Company, the Atlantic Sugar Refinery and other St. John industries have been importing coal from Newport News, U.S.A., and after paying duty have been able to obtain their coal at something over a dollar cheaper than they could purchase Sydney, Cape Breton, coal."

The present situation will probably have an interesting political reaction possibly taking the form of a demand for an emergency tariff on coal. E. M. McDonald, D. D. MacKenzie, and Hance J. Logan advocated a "real duty" on coal during the recent election campaign, and they were elected by coal mining constituencies by majorities unprecedented in the political history of eastern Canada.

MANAGES N. Y. OFFICE

Aemilius Jarvis & Co. have appointed Kingsley Jarvis as manager of their newly opened New York office. Associated with him will be W. H. R. Jarvis.

HOWARD SMITH PAPER

After an extensive and thorough experimentation blotting paper of the finest qaulity is now for the first time being produced in Canada by the Howard Smith Paper Mills, Limited, of Beauharnois and Crabtree Mills, Quebec, and Cornwall, Ont.

Hitherto, all the blotting paper used in Canada has been imported, the imports being valued at about half a million dollars a year.

Think This Proposition Over

The man you appoint as your Executor today may be dead next week.

Worse than that, he may die the week after you.

Where, then, would the administration of your estate be?

The Trust Company you appoint as your Executor today does not die. It will take charge of your estate from the time of your death, and "carry on" until the provisions of your Will have been fulfilled, until the last dollar of your estate has been distributed.

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A concise exposition of the law of taxation, as applied to Federal, State and municipal bonds, and an exhaustive analysis of the tax laws of the U. S., the States and Territories, with reference to such securities, prepared primarily to meet the needs of investors and dealers in the securities considered.

The authors are practical municipal bond men, having specialized for many years in the examination of the legality of municipal bond issues, in which work they have been associated with John C. Thomson, Esq., of New York.

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GERMANY'S FLOATING DEBT INCREASING

Steady Growth in Note Circulation—The Mark is Firmer

The recent improvement in the German mark, mainly due to persistent rumors of indemnity postponements and general changes in indemnity payments, combined with fact that heavy fall buying had fallen off, has not led to any fundamental improvement in the economic condition of the country. The basic conditions in public finance remain unchanged, the note circulation being still on the increase with the resultant rise of the floating debt.

The present financial condition of Germany precludes the possibility of any broad and sustained rise in the German mark, with accompanying advantage to the speculation in German funds. According to recent advices from Germany the third supplementary budget estimated for the current fiscal year will show a deficit amounting to 161,500,000,000 paper marks, of which 40,500,000,000 may be ascribed to the railway, post and telegraph deficit, and the 120,000,000,000 to the reparation payments due by April 30, 1922. This new estimate shows an increase apart from reparatory obligations of about 50,000,000,000 marks.

The public debt of Germany is given as slightly over 330,000,000,000 paper marks. The funded debt, approximately 90,000,000,000 marks, shows a slight advance over the 85,800,000,000 marks stated last April. The floating debt, of non-interest-bearing treasury bills, which are, however, issued to banks at a discount of 4 or 5 per cent, has been lately increased by 9,000,000,000 marks to the total sum of 242,000,000,000. On October 10, 1921, it amounted to 212,000,000,000.

The unprecedented fall of the German mark since September, which had such a wide effect on economic conditions in Germany during October and November, causing great price increases, inflation of the stock market, and great overpurchasing by German consumers in fear of further price advances, has been checked to some extent.

The circulation of the Reichsbank on November 30 amounted to 101,000,000,000 marks as compared with 91,500,000,000 on November 1, and 71,838,000,000 at the beginning of June. The notes of the Government Loan Office, however, have continued their slow decrease and were placed at 7,300,000,000 in November

Germany's Long Lead

By M'CREADY SYKES,
In Commerce and Finance.

There are two of the great countries of the world that enter the post-war era with the tremendous advantage of an open road of freedom from the staggering burden of military and naval establishments.

Of course it may be said that England, France, Italy and Japan may be free of such burden if they choose; but there are weighty reasons, whether ultimately valid or not, that as a practical matter make it hopeless to expect among their own peoples a unanimous or even preponderant agreement on a horizontal reduction of armaments not made ratably and simultaneously with that of other nations. It may be that France would be safe without a powerful army, or England without command of the sea, but these are both, to say the least, fairly debatable propositions.

One of the two great countries that at the present moment may safely look into the future with no provision for naval or military establishments beyond those necessary for police purposes is the German republic. Germany has had disarmament wished on her, thus securing economic and industrial advantages that will go a long way in insuring ultimate progress. Of course it is galling to national pride for a country to have the question of its armament policy determined for it, and no one supposes Germany will be kept indefinitely in a state of tutelage. But meanwhile and during these important first years she has working in her favor this enormous handicap of freedom from the burden of armament that is crushing her neighbors, a favoring handicap perhaps greater in actual extent than the adverse one of stipulated indemnity payments. One of the gravest problems for France is this burden of her military establishments, so terribly handicapping her as contrasted with the country she regards as her chief commercial rival.

That this advantage to Germany is no slight thing is evident from the computation published in the New York Herald, just made by experts in the French Ministry of Finance. Taking the present budget requirements of France, Germany and England and working out the taxes paid by a common denominator—namely their respective currencies adjusted to their purchasing power on the foreign market, it appears that:

The French taxpayer is paying 151 gold francs or $30.

The German taxpayer is paying 51 gold francs, or $10.

The English taxpayer is paying 300 gold francs, or $60.

The other country having potentially a like immunity is our own. We need an army no more than does Germany. With the inevitable vulnerability of the battleship so forcibly maintained by naval authorities it would be almost childish for our country, off on one side of the earth, to provide for a policy of great naval construction, and this is true wholly irrespective of what other nations may or may not do. The Hughes' program was a splendid contribution to the orderly progress of the world, for it lent to the rational movement for disarmament the great prestige of one of the leading powers of the world but as a matter of sober fact our proposed naval holiday is for us the path of wisdom without waiting for the aid or common action of any other nation on earth. The battle-ship is obsolescent. Whatever attack we might suffer at the hands of an aggressor would not be one against which capital ships or naval armament as we now know it would protect us.

Germany has long learned and is applying the gospel of work—another handicap in her favor. The simple fact is that taking a long view Germany has more points in her favor than any other horse in the race. No modern nation has ever been or can be impoverished by paying an indemnity, which under modern conditions and prevailing conceptions of international ethics can ultimately be paid only out of exports of a nation's surplus production. In the very production of that surplus a nation sweeps along to economic progress. By the time France had finished paying the indemnity of the Franco-Prussian war it was France and not Germany that had grown prosperous and rich.

Naturally our sympathies are not with Germany. We wish she did did not have a great favoring handicap. But the fact that she has a long lead, coupled with her demonstrated genius for organization of the machinery of trade, is one of the most vividly patent facts in the situation confronting the world today.

The sombre reflection for the nations represented at Washington is that they that take up the sword are likely to be distanced by others that are not wasting their lives and strength in the production of swords. Confronted by the forces of destruction rapidly becoming available swords and battleships are about an equal protection.

International Debts

Instead of being assets the European debts due us may be likened to a menace confronting American laborers. Far better would it be to cancel debts to be repaid to us over a period of years than to have men unemployed at home because those debt repayments are to be made in goods exported to us by our creditors at competitive prices, which may succeed in closing many of our industries and thereby aggravate American unemployment. Those debts while they remain dead, do little harm to the prevailing exchange rates but they are capable of much disturbance whenever payments are called for. Only by the sale of commodities can those debts be paid. Our acceptance of repayment in foreign goods will exercise a depressing influence on domestic industry, submerge many of our factories and hamper our export trade. To pay an indemnity, the Germans will be forced to sell goods. A similar situation confronts our European Allies with respect to their notes in our Treasury. To make such sales they will be obliged to undersell American goods. If we cheapen our cost of production, they of necessity must again reduce their prices still further. There should become a more general and profound fear that the whole plan of indemnity payments now contemplated as well as some of the debt payments will undoubtedly break down "and the world be plunged again into political and economic chaos." These considerations demand the careful attention and thought of every one concerned in the welfare of our country and of the world at large. In our opinion, the nations that are able to pay their debts to us will reap immense benefits by so doing, thus keeping all hands at work while America suffers from unemployment. What if Great Britain should cancel Europe's debts and we should not? Perhaps only our great grandchildren will be alive to testify to the final results of our present shortsightedness.

It is a "gigantic fallacy" to expect to reduce unemployment while high taxation is imposed upon large incomes which would otherwise be available for industrial, commercial needs. An incidental cause of trade paralysis is excessive taxation. Taxes strangle labor and enterprise. Trade cannot thrive on the principle that "Unto him that hath not shall be given and from him that hath shall be taken away." Unemployment cannot be ameliorated by levying more taxes.

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Send for Bulletin No.1017

The Monthly Cheque
That Never Fails

How the Money was Lost

"You see I had only a few thousand dollars left after the estate was settled—

and my brother borrowed some to help him along; of course *that* went and then—

I simply *had* to help father with his business, he was so worried—

and I thought it best to invest something in real estate at once. Well, *that* failed—

and, really, if it were not for the monthly income cheque from the Canada Life I don't know how I should be getting along now."

It is all so simple and effective!

Just a few dollars set aside regularly, and the Canada Life will guarantee to your home a continuous monthly income.

What a relief to know that no matter what may happen, the monthly cheque that never fails, issued regularly by the Canada Life, will come to *your* home!

Your present Life Insurance will no doubt "clear the mortgage," pay off the obligations of your estate, and leave something for your family, but

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A weekly or monthly income is the natural thing for most people.

A woman can keep a family together on even a small income, provided it is *regular*

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Head Office: Toronto

Canada

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Canada Life Assurance Company,
Dear Sir—Without obligation on my part, you may send me particulars of your Monthly Income Plan.
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Born day of 18
Beneficiary
Born day of 18

12

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Population 581,995

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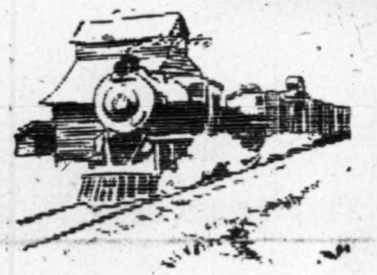
HOW is the prosperity of nations, of provinces, of great communities measured? Is it in the figures for a single year's income or production or in the steady growth from small beginnings to great accomplishments and in the determination of average incomes and production figures over a term of years. Certainly the first method of measuring cannot be accepted as fair and correct. Measure Alberta's wealth prosperity by its steady growth in population and in production or measure it by the standard of the averages of the past seven years and the strong position of the province is apparent.

It is less than a generation since Alberta was a province of little prosperity—though of great potential wealth. To-day it is a province of nearly 90,000 farms, which produce an average of over $135,000,000 annually and have horses, livestock, etc., to the value of over $136,000,000—a province of progress and prosperity.



A field of wheat in stooks. Alberta is rich not only in wheat but in oats, barley, rye and flax.

The Seven Year Average

An analysis of the field crops production of Alberta for the past seven years—taking the years 1915 to 1921 inclusive, reveals great things. Wheat and oats are the two great crops of Alberta. Over the seven year period there has been produced 310,702,446 bushels of spring wheat with a total value of $460,973,566. The average for each year has been 44,386,064 bushels of wheat with a value of $65,853,366. There has been produced in that period in Alberta 569,250,585 bushels of oats with a total value of $274,038,773. The average yearly production has been 81,321,512 bushels of an average value of $39,148,396.

Threshing a part of Alberta's Great Wheat Crop

Add to these figures the great crops of barley, rye, flax, potatoes, turnips, peas, alfalfa and other field products. The average yearly production has been $139,159,452. There have been during this period a yearly average of about 75,000 farms in Alberta. When the value of the livestock raised and slaughtered and the value of dairy products is added, the average production per farm of Alberta agricultural areas is obviously well over $2,500. The livestock business in Alberta is yearly taking on new importance. An estimate of the value of livestock in Alberta in 1921 gives the total as $136,589,320. The most interesting and informative feature of this figure is the fact that it is within a million dollars of the figure for 1920. In other words, despite the readjustment of values that was effected during 1921 the increase in numbers of farm livestock in Alberta was sufficient to bring the total value almost to the 1920 figure.

A People who Have Faith In Their Province

Alberta people have great faith in their province. This fact is indicated by their willingness to buy the bonds of their own province. During 1921 they bought over $2,000,000 of Alberta provincial bonds direct from the Provincial Treasury Department and invested $1,500,000 in the provincial savings certificates.

Alberta's Provincial Cabinet

Hon. Herbert Greenfield—President of the Council, Provincial Secretary and Provincial Treasurer.

Hon. J. E. Brownlee—Attorney-General.

Hon. V. W. Smith—Minister of Railways and Telephones.

Hon. G. Hoadley—Minister of Agriculture.

Hon. A. Ross—Minister of Public Works.

Hon. R. G. Reid—Minister of Municipal Affairs and Health.

Hon. P. E. Baker—Minister of Education.

Hon. Mrs. I. Parlby—Minister without Portfolio.

A word may be said about dairying. This highly profitable branch of agriculture has made great progress in Alberta. The value of the milk and milk products produced during 1921 was in the neighborhood of $20,000,000.

A Glorious Future

What of the future of agriculture in Alberta? It cannot be less than wonderful. Of Alberta's vast area of 100,000,000 acres, less than 12,000,000 acres have been brought under cultivation. Every year the area under cultivation is being increased. There will be years of "bumper" crops and there will be years when production is less satisfactory but the curve of agricultural progress in Alberta will tend upwards.

But agriculture is not the only great source of wealth in Alberta. The mineral production of the province averages more than $30,000,000 annually, ranking it fourth among Canadian provinces in this respect. This is due to the fine resources of coal that are now being tapped. Ten years ago Alberta produced but 1,500,000 tons of coal annually. Now it produces around 7,000,000 tons annually. In 1911 its proportion of Canada's total production was under 15 per cent. It is now nearly 40 per cent. Eighty six per cent. of the coal resources of Canada are in Alberta and the tonnage mined exceeds that of any other province even to Nova Scotia.

The financial position of Alberta is of the best as is indicated by the high position the bonds of the province occupy in the American, British and Canadian bond markets. The bonded debt of the province and the assets behind the bonds outstanding as shown by the last published statement of the Province are as follows:

STRONG FINANCIAL POSITION REVEALED IN STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31st, 1920

ASSETS		
Cash in Bank		$ 845,237.19
Telephone Plant, Stock and Tools	$15,834,394.90	
Less Depreciation and Renewal Reserve	250,000.00	
		15,584,349.90
Public Buildings (Including Stock Advance)		9,214,967.10
Bridges		3,343,608.93
Trunk Roads and Bridges thereon, Ferries, etc.		5,151,439.64
Province of Alberta 4% Debentures due 1922		171,668.76
Demonstration Farms		471,501.95
Interest-bearing Loans		5,401,298.63
Repayable Working and Improvement Advances (Including Drought Relief).		1,600,848.72
Shares Lacombe and North Western Railway		2,031.85
Miscellaneous		360,392.97
Deferred Revenue		3,637,116.76
		$45,784,507.40
Deposit (in lieu of debt) in hands of Dominion Government		8,107,500.00
Deposit (School Lands Fund)	$5,972,000.00	
Deferred and Overdue payments of principal on School Lands	7,416,456.12	
		13,388,456.12
Unsold School Lands—6,830,648.61 acres at $12.00 per acre		81,967,783.32
		$149,248,246.84

LIABILITIES	
Public Debt—	
4% Debentures, due 1922 (Convertible), Chap. 21, 1911-12	$ 4,804,373.33
4% Debentures, due 1922 (Convertible), Chap. 21, 1911-12	133,333.34
4% Debentures, due 1938, Chap. 14, 1908	2,000,200.00
4% Registered Stock due 1942 (Convertible), Chap. 21, 1911-12	62,293.33
4½% Gold Debentures, due 1923, Chap. 29, 1913 (Second Session)	3,600,000.00
4½% Gold Debentures, due 1924, Chap. 12, 1910, (Second Session)	7,400,000.00
4½% Registered Stock, due 1943, Chap. 21, 1913	4,866,666.66
4½% Debentures, due 1943, Chap. 21, 1913	133,333.34
5% Gold Debentures, due 1922 (Dec. 1st) Chap. 2, 1917	175,000.00
5% Gold Debentures, due 1922 (Aug.), Chap. 2, 1917	1,500,000.00
5% Gold Debentures, due 1925, Chap. 25, 1914 (as amended)	4,000,000.00
5% Gold Debentures, due 1926, Chap. 21, 1916	2,000,000.00
5½% Gold Debentures, due 1929, Chap. 2, 1919	3,000,000.00
5½% Gold Debentures, due 1939, Chap. 2, 1918	1,000,000.00
6% Gold Debentures, due 1923, Chap. 2, 1920	3,000,000.00
6% Gold Debentures, due 1928, Chap. 2, 1917	825,000.00
6% Gold Debentures, due 1930 (Aug. 16th), Chap. 2, 1920	2,000,000.00
6% Gold Debentures, due 1920 (Nov. 1st), Chap. 2, 1920	1,000,000.00
6% Gold Debentures, due 1930 (May 1st), Chap. 2, 1919	489,700.00
	$41,989,900.00
Less Sinking Fund	1,231,159.20
	$ 40,758,740.80
Temporary Loans (Savings Certificates included)	3,774,900.55
Municipal Sinking Funds	54,121.69
Balance—Excess Assets over Liabilities	104,660,483.80
	$149,248,246.84

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Revenue for the year ending December 31st, 1920	$ 10,919,776.08
Expenditure year ending December 31st, 1920	10,423,356.01
Estimated revenue year ending December 31st, 1921	12,778,879.87
Estimated expenditure year ending December 31st, 1921	12,736,294.06
Dominion subsidy 1921	1,657,875.00
Assessable property within Province	725,886,555.51
Population 1921 census	581,995
Treasury notes outstanding	2,000,000.00

ANNNUAL REVIEW AND OUTLOOK

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-36 PUBLICATION OFFICE: TORONTO, JANUARY 6, 1922 Special Section 17-32

CANADA'S BORROWINGS DURING 1921 GREATLY INCREASED OVER 1920 TOTAL ISSUES APPROXIMATED $400,000,000.

Although Dominion Government Again Remained Out of Market Provinces and Municipalities Were Heavy Borrowers

ONTARIO LEADING PROVINCIAL BORROWER

Prices Showed Tremendous Change During the Year and Upward Movement That Set in Shows Signs of Continuing Until Economic Factors Are Recognized

By FLOYD S. CHALMERS,
Associate Editor, "The Financial Post."

Canada's borrowings during 1921 were much over the total for 1920. The after-war basis of borrowing of Canadian governments, municipalities and corporations as exemplified in the bond issues of 1920 and 1921 has been well over the average of the years from 1909 to 1914. For the second successive year there was no borrowing by the Dominion of Canada (though the Government did utilize for refunding purposes a part of the proceeds of a railway issue in New York) and the supply of credit was left free for the provinces, municipalities and other lesser borrowers. The total bond sales of 1921 were $398,975,245 as compared with $327,290,000 in 1920 and $900,952,000—the highest figure on record—in 1919.

The figures include bonds issued during 1921 but not necessarily entirely sold by investment houses. In the same way issues made at the end of 1920 and placed with investors in 1921 are not included.

Cities Heavy Borrowers

Canadian municipalities spent large sums on capital account during the year as is indicated by their heavy borrowings. Municipal bond sales in 1921 totalled $86,395.100 a figure that compares with $62,200,000 in 1920 and $31,000,000 in 1919. One has to go back to 1914 to find a total nearly as high. The cities and towns which borrowed in 1921 got their money cheaper than the 1920 borrowers on the whole. In the previous year there was far from enough money to go around and the many municipalities got a very cold reception with their bonds. It was different during 1921 particularly during the latter half of the year towards the end of the year. Investment bankers suffered from a dearth of good bonds to meet their demands rather than from a surfeit of issues.

Provincial borrowings during the year were as follows:

Ontario (inc. Hydro)	$58,300,000
Alberta	24,766,000
Saskatchewan	17,029,000
British Columbia	15,000,000
Manitoba	11,975,000
Quebec	10,800,000
Nova Scotia	3,858,000
New Brunswick	1,667,000
Prince Edward Island	125,000

The principal other borrowings were:

Railway

Grand Trunk	$12,000,000
C. P. R.	40,000,000
Canadian Northern	25,000,000
Canadian National	25,000,000

Public Service

Maritime Telegraph	$1,000,000
Shawinigan Falls Power	2,500,000
Laurentide Power	1,500,000
Laurentian Power	1,000,000
Western Quebec Power	200,000
Manitoba Power	7,500,000
Montreal Tram.	1,750,000

INDUSTRIAL

Pulp and Paper

Fort William Paper Co.	$1,000,000
Spanish River	3,000,000
Howard Smith	1,000,000
Abitibi	4,000,000
Brompton	2,500,000
Clarke Bros.	1,250,000
Fraser Co.	2,000,000

Hotel

Mount Royal Hotel	$6,000,000
Border Cities Hotel	800,000

Other

Consumers Glass	$ 550,000
Canadian Salt Co.	400,000
P. T. Legare Co.	1,200,000
Cedars Rapids Mfg.	1,000,000
Canadian Apartment House	50,000
Lamontagne Ltd.	600,000
…nada Steamships	6,000,000
B…er Trucks	300,000
…son & Hedges	983,000
…ar People	500,000
…onal Farm Machinery	4,000,000
…da Hand Mfg.	1,458,000
…ohn Drygoods	1,250,000
…rial Tobacco	6,500,000

CANADA'S BORROWINGS

1914	$272,935,067
1915	341,892,871
1916	316,917,362
1917	757,808,966
1918	767,530,000
1919	900,952,000
1920	327,290,000
1921	398,975,245

A chart of price movements during the past year would have a black line swinging upward. And towards the end of the year would be shown a sudden upward spurt that changed bond price levels with a rapidity that has not been seen in any previous period in the history of Canadian bonds.

Price Tendencies Upward

The year opened with bonds touching bottom. A province of Ontario issue had just been floated at the highest cost the province had ever experienced. The first issue of the year in Canada was an Alberta issue and the funds cost the province just 6 per cent. The American bond market was very weak; in fact bonds could hardly be absorbed and some issues in New York were complete failures. Yet at the end of the year the provinces were borrowing at around 5.80 per cent.

To the American bond market must be ascribed most of the price fluctuations in Canada during the year. Canada has not reached the stage where it can entirely finance itself. It must go elsewhere to find capital for a large share of its developments. The British market was closed to us on account of exchange. And when the American bond market was closed as well the supply of funds for investment purposes was not enough. Not long after the year got under way industrial readjustment in the United States released large sums for investment purposes and a spirit of returning confidence enabled the American bond market to get into a strengthening movement that grew every week. There was not even a sympathetic movement in Canada because we had not gone so far in the process of liquidation and deflation as the United States and also because the high rate of exchange which gave no signs of return to normal within a reasonable period made borrowing in the States for long terms an unwise policy.

During the summer the Canadian investment market continued at about the levels that had been struck in the spring with heavy borrowing by the Province of Ontario and the City of Toronto acting as heavy influences and with the prospect of further heavy borrowing, especially by these two governments rather dampening any enthusiam that might have drifted across the line from New York where the upward movement still progressed.

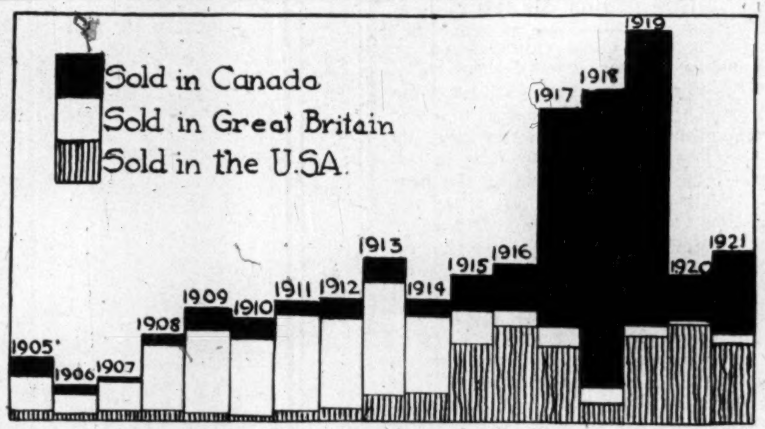
The Big Spurt Comes

Autumn came then something happened. Influences began to shape themselves that led to the belief that a solution of the problem of exchange might not be indefinitely postponed. The United States investment bankers sold all their bonds to an eager investing public and found their vaults and shelves bare. They came to Canada to buy bonds and offered prices that made the selling of long term bonds payable in the United States attractive. The City of Ottawa issue in September was the first definite recognition of the new basis of prices. Practically every big issue of Canadian bonds for some weeks after that went to the United States. The Canadian market found itself free of the overhang that had been bothering it and this coupled with a slowly growing demand for bonds from institutions and individuals who were at last freeing their tied-up capital gave strength to the Canadian situation and bond prices here took a jump upwards almost overnight. Victory bonds led the van and other bonds followed.

That the new basis of prices was in the main justified is now shown for the upward movement subsided some weeks ago and bonds are still holding their new levels. Investment bankers look forward to 1922 with high hopes, trusting to see the end

(Continued on page 28)

Where Canada Has Borrowed



This chart graphically illustrates where the capital has come from to supply the operations of Canada's governments, municipalities, railways, industries and utilities during the past seventeen years. The permanent borrowings of these bond issuing corporations in Canada, Great Britain and the United States are shown in the black, the white and the shaded areas respectively.

While before the war Canada borrowed more largely in Britain than elsewhere this source of funds has been almost cut off from us as is indicated by the gradual "squeezing out" of the white line from the beginning of the war period. We turned to the United States for capital and from 1914 to early in 1917 we borrowed in increasing amounts there. In 1917 the United States joined the war and we had to borrow at home. How Canadian people financed their later war operations is seen by the great preponderance of Canadian borrowing during 1917, 1918, and 1919, shown on the chart. The two after-war years, 1920 and 1921—1919 not being included because during that year there was great borrowing on account of demobilization—have shown more normal trends. The British market is still closed to us but the United States has a large surplus of funds for us. Our 1921 borrowings in the States were much less than [illegible] of 1920 though our borrowings at home almost doubled. This is a healthy sign. There is an apparent increase in our British borrowings, but as a matter of fact only four British loans were arranged. In two cases British companies with Canadian subsidiaries borrowed in Britain; in the third a Canadian company owned by British shareholders borrowed there and the fourth loan was on account of the Canadian Pacific Railway. The percentages for the year were as follows: borrowings in Canada, 48.4%; in the United States, 46.5%, and in Britain 4.5%.

The Economic Cycle

By H. MITCHELL,
Department of Economics, McMaster University.

No problem has occupied the attention of financial experts and economists more acutely of late than that of the economic cycle, and no problem has provided greater puzzles. For reasons not as yet fully comprehended in all their bearing, finance, industry and commerce pursue what appears to be an endless depression, from depression to activity, through all the different stages of boom, crisis, stagnation, recovery and back to boom again.

To deal in any adequate way with the problem would be an immense task, and need not occupy our attention at the moment. What we may, however, ask with hope of arriving at a conclusion is, at what stage of the cycle have we arrived at present? It is perfectly sure that we have passed the boom, and are now in the period of depression. What about the chances of a financial crisis?

That we may answer with a fair degree of confidence; the danger is passed, for if a serious breakdown was to mark the depression we are passing through now, it would have occurred before now. The only remarkable thing is that no collapse has taken place, and there is very little doubt that the reason why we have escaped that calamity lies in the satisfactory working of the new Federal Reserve System of banking in the United States.

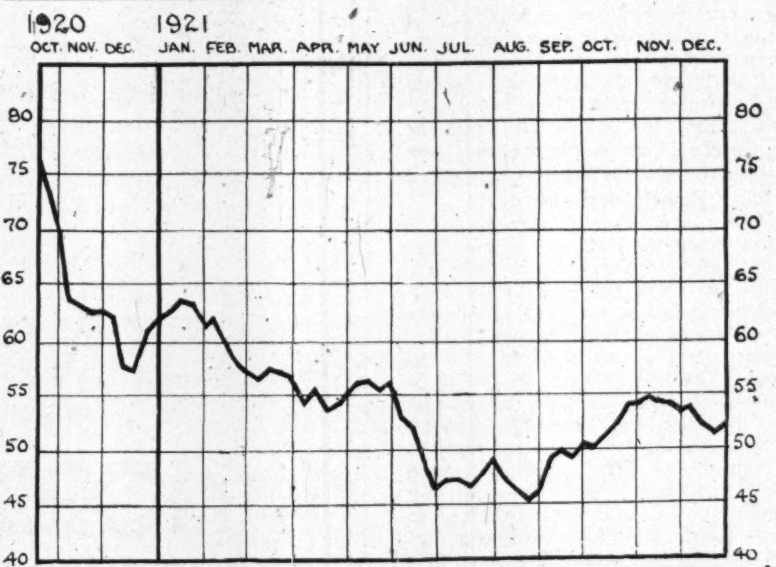
When in the first week of November 1919 the Federal Reserve Board announced its intention of curbing speculation by restricting loans through a policy of higher interest rates, it showed that a strong hand was on the tiller and that no longer would the United States banking system be called "an international financial nuisance" from its unhappy facility of precipitating financial crises.

The period of danger from a breakdown in the machinery of credit is passed: how far on are we in the next period, that of stagnation and depression?

There are numerous signs that we are nearly through the wood, and that daylight is ahead. One of the most significant of these indications is afforded by the record of the excess reserves of the combined Federal Reserve banks in the United States, that is to say the reserves

(Continued on page 29)

Downward Course of Stock Market



This chart indicates the general downward tendency of the stock market during the past fifteen months with the upward swing between August and September, which was succeeded by another reaction. In preparing the chart some twenty representative securities were taken as given below, and a daily record kept during the period under review. The chart starts about the middle of October 1920, when the index read 76.40. Between that date and the last week of December 1920 there was a steady decline without any exception, the weekly records reading as follows: Oct. 73.55; November (four week-ends), 69.80, 63.75, 63.10, 62.90, and December, five, as follows: 62.80, 62.20, 57.75, 57.60, with a year-end rise to 61.00 the last week of December.

LOSSES IN SECURITIES IN YEAR $54,000,000 PAPER STOCKS LED THE WAY IN DECLINES ALL THE TEXTILE STOCKS SHOWED GAINS

The Steel and Transportation Stocks Also Suffered in the General Readjustment

TOTAL LOSS IN TWO YEARS HAS BEEN $195,000,000

Some Interesting Figures Showing the Changes That Have Taken Place in a Very Interesting Period For the Stock Exchange Followers

By H. H. BLACK,
Associate Editor, The Financial Post.

MONTREAL—The record of the year 1921 on the Stock Exchange did not impress investors as a particularly cheerful one, yet, if compared with the year 1920, it at least shows a much smaller aggregate loss in points and in values. Taking the opening and closing quotations of sixty securities for 1921 there was a net loss of some $54,000,000. In the year 1920 the same list showed a net loss of approximately $140,000,000, the two years combined, however, represent a decline in preferred and common stocks to shareholders of some $195,000,000! For the year 1921 a fair proportion of securities—22 out of 60—showed gains, aggregating $11,000,000. In 1920 the decline was almost unanimous.

Just as in the first half of 1920 the paper stocks led the market and were soaring to heights that even amazed the most enthusiastic investor, and were among the last in 1920 to have to face the slump, in 1921 they have been the leaders in the declines. In 1920 Riordon showed 98 points drop but in 1921 this became 133½—from 138 to 4½. Among the others that showed declines were Abitibi, 27¼; Brompton, 21¼; Laurentide, 21¾; St. Maurice, 25; Spanish common, 16, preferred, 20¾; Howard Smith, common, 32, and Wayagamack, 53.

The steel stocks showed declines also, with Dominion Steel, 34½; Ontario Steel Products, 18 points, and Car preferred, 23.

The milling stocks had declined in 1920, and in 1921, Lake of the Woods and Ogilvie gained slightly, with St. Laurence down 7½ and Maple Leaf 25.

Canada Steamships showed substantial declines, the common 34½, and preferred, 25. Dominion Bridge also went down 28 during the year, the greater part during the past week. Lyall experienced a similar decline late in the year, showing a net loss of 13.

The textile securities made the best showing of all, and to-day they appear relatively, to be in the best position of any group in the market. Their gains were as follows:

Dominion Textile	30½
Canadian Cottons	10½
Canadian Converters	11
Montreal Cottons	5
Penmans	The same
Wabasso	8½

Among the heaviest aggregate declines during the year were Abitibi, $6,812,000; Braziljan, $2,927,947; Brompton, $2,975,000; Canada Steamships, common, $2,220,000, preferred, $3,125,000; Detroit, $2,690,000; Dominion Bridge, $1,820,000; Dominion Steel common, $7,580,000; Laurentide, $6,264,000; Price Bros., $3,521,000; Riordon, common, $8,010,000; St. Maurice Paper, $1,974,000; Spanish, common, $1,439,000, preferred; $1,788,000, Wayagamack, $2,650,000.

One of the best substantial increases was Montreal Power of $3,873,000.

Detailed Figures of Changes In Quotations and Losses Involved

Name of Stock	Amount. Outstanding.	1920. High.	1920. Low.	1921. High.	1921. Low.	Change. in Pts.	Gain or loss in Value in 1921
Abitibi	250,000 sh.	87	48½	57¾	21½	—27¼	—$ 6,812,500
Ames Holden, com.	$ 3,500,000	137	10	25	15	— 5	— 175,000
Ames Holden, pref.	2,500,000	114¾	27	44	15	— 1	— 25,000
Asbestos Corp., com.	3,000,000	103	64	82½	36	—29½	— 885,000
Asbestos Corp., pref.	4,000,000	108	84⅞	95	65	—11¾	— 470,000
Atlantic Sugar	4,888,900	164	16	33⅞	20	+ 6	— 293,334
Bell Telephone	22,900,000	111	100	112	99¾	+ 6	+ 1,374,000
Brazilian	106,470,800	51	20	36	20	— 2¾	— 2,927,947
Brompton	140,000 sh.	85	42¼	57¼	13½	—21¼	— 2,975,000
Canada Cement	13,500,000	75	55	66½	43	— 1	— 135,000
Can. Car and Fdry., com.	4,975,000	74	29	43	16	—16½	— 821,875
Can. Car and Fdry, pref.	7,500,000	109	67	79	42	—23	— 1,725,000
Can. Converters	1,733,500	80	51	74	58	+11	+ 190,685
Can. Cottons	2,715,500	100	71	85	64	+10½	+ 285,127
Can. Steamships, com.	6,437,600	80	34	50¼	12¼	—34½	— 2,220,972
Can. Steamships, pref.	12,500,000	85	60½	73½	38	—25	— 3,125,000
Can. Gen. Electric	9,000,000	109	91	117	86⅝	+ 1	+ 90,000
Cons. Smelters	10,534,750	32½	15⅛	21	13	+ ½	+ 52,673
Detroit	15,375,000	113½	79¾	96	50	—17½	— 2,690,620
Dom. Canners	2,794,000	66¼	26	45	19	— 7½	— 209,550
Dominion Bridge	6,500,000	115	69¾	92	56½	—28	— 1,820,000
Dominion Glass	4,250,000	69¼	57½	65	50	+ 3½	+ 148,750
Dom. I & S., pref.	5,000,000	92	70	76	56½	— 9½	— 475,000
Dom. Steel, com.	43,000,000	79	39	48¾	22½	—17⅝	— 7,580,000
Dom. Steel, pref.	7,000,000	80¾	62½	71½	55	+ 1¾	+ 125,250
Dom. Textile	5,000,000	146½	96½	142	104	+30½	+ 1,525,000
H. S. Paper Mills, com.	3,630,200	167	74¾	110	60	—32	— 1,161,600
H. S. Paper Mills, pref.	1,500,000	110	92	92	64	— 6	— 90,000
Lake of Woods	3,500,000	220	125	155	128	+ 1	+ 35,000
Laurentide	28,800,000	125	81	95	62	—21¾	— 6,264,000
Lyall Construction	1,750,000	99	35	75	33	—13	— 227,500
Macdonald Co.	3,000,000	44¼	20	25	9¾	—13¾	— 417,500
Maple Leaf	2,500,000	184¾	133½	145¼	112	—25	— 625,000
Montreal Cotton	3,000,000	86	78	80	73	+ 5	+ 150,000
Montreal Power	64,553,800	90	76	89¼	73¾	+ 6	+ 3,873,288
Montreal Tram.	4,000,000	130	125	151	105	+15	+ 600,000
Nat. Breweries	2,254,300	70	39¼	59⅜	36½	+ 5½	+ 123,970
N. S. Steel	15,000,000	67¾	42	43⅛	39¾	....	....
Ogilvie Milling	2,500,000	277	175	214	165	+ 5	+ 125,000
Ontario St. Prod.	750,000	89	50	70	32	—18	— 135,000
Penman's	2,150,600	148½	93	104	92	....	....
Price Bros.	42,683,200	...	...	42¼	24¾	— 8¼	— 3,521,364
Prov. Paper	3,500,000	132	80	95¼	90	....	....
Quebec Railway	9,999,500	36¾	18⅜	29⅜	22	— ½	— 49,997
Riordon P. & P., com.	6,000,000	226	128	169	1½	—133½	— 8,010,000
St. Lawrence	1,200,000	139½	59	74	48¾	— 7½	— 90,000
St. Maurice	7,899,900	158	124	120	80	—25	— 1,974,975
Shawinigan	20,000,000	119	97½	109½	100	— 1	— 200,000
Sherwin-Williams	4,000,000	119	75½	88	80	— 8	— 320,000
Spanish, com.	8,995,500	125¼	75	89¼	44	—16	— 1,439,280
Spanish, pref.	8,619,500	149	82	95	51⅞	—20¾	— 1,788,546
Steel Co. of Canada	11,500,000	88⅛	54¾	65	61	+ 1½	+ 172,500
Toronto Railway	12,000,000	60	37	80	66½	+ 7	+ 840,000
Tooke Bros.	650,000	86	67	57	38	—12	— 78,000
Tucketts	2,500,000	57	41	52	37	— 4	— 100,000
Wabasso	35,000 sh.	135	48	53	51	+ 8½	+ 297,500
Wayagamack	5,000,000	145¾	71	89	36	—53	— 2,650,000
Windsor Hotel	1,500,000	100	68½	125	124	— 4	— 60,000
Winnipeg Electric	10,914,700	38⅞	30	48	34	+ 5	+ 545,735
Woods Mfg.	1,718,600	110	98½	80	60	—20	— 343,720

Total declines —$64,629,946

Total increases +$10,847,812

Net declines for year 1921 —$53,782,134

READJUSTMENT TOOK PLACE IN HARDWARE LINES

But Some Authorities Hold That Price Basis is Still High

STOCKS DEPLETED

Shelves of Wholesalers and Retailers Are Lightly Stocked—Trade Generally Has Been Holding Up Well

By H. L. SOUTHALL,
Managing Editor, Hardware and Metal.

The year has marked an important step in the general readjustment of the hardware and metal industry from the boom period of the previous five years. Contrary to general opinion, this industry was one of the most recent to reach its high peak, and it has therefore been one of the last to undergo substantial readjustment. In fact it is held by some authorities that this industry has not yet been established on sufficiently low price level to justify a return of normal trade. The recent course of readjustment in hardware and metals bears out the prediction that those industries which were first to undergo liquidation would be the first to enjoy a return to healthy conditions with a fair volume of profitable trade and vice versa. The hardware and metal industry has been one of the latter, but taking the year as a whole substantial progress has been made in liquidation of stocks, reduction of costs and lowering of prices.

A review of the course of hardware price movement indicates that the peak of prices was not reached until toward the end of 1920. Steady upward progress was made from 1914 until early in 1918 when a slight decline set in, followed by a somewhat stationary period. Then toward the end of 1919 the upward trend was resumed reaching the peak in September 1920 since when the decline has brought hardware prices back to the equivalent of those prevailing toward the end of 1917.

Price Movements

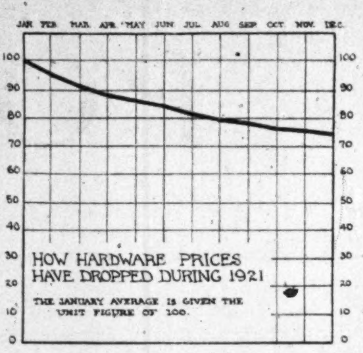
A comparison of price movements on basic materials reveals much the same trend as that of manufactured products. Bar iron and bar steel for instance continued fairly steady at from $2.00 to $2.20 from the beginning of 1914 until about the middle of 1915 when a slight depression set in, followed by a steady climb upward until about the middle of 1917 when prices remained stationary until the end of 1918 when the war was ended and prices took a drop back to 1916 levels of approximately $3.70. Toward the end of 1919 the upward trend was resumed and reached the peak of $5.30 toward the end of 1920. This high point was not held long when a rapid decline set in which has returned prices on these basic lines to a $3.00 level, the first time such a low point has been reached since April 1916.

Bearing out this movement of prices on basic materials, manufactured hardware reflects a big variation in price. Fifty hardware lines show an average fluctuation as follows: Using 100 as a unit base, prices rose from 90 at the commencement of 1914 to 220 at the commencement of 1918. A slight reaction set in at the end of the war and prices declined to 205 at which they remained steady until near the end of 1919 when the ascent began which ended in prices reaching the unprecedented level of 260 in September, 1920. Since that time a constant decline has been made which to date has returned prices to a level of 200, for the first time since 1917.

Stocks Are Light

Hardware stocks in general seem to have been pretty well liquidated. The policy of reducing prices in line with reduced costs wherever possible. And while labor has declined very little and transportation costs are still high, some saving has been effected by the improvement of machine processes and increased efficiency on the part of labor. Recent production has been practically only for current requirements but in certain cases it is felt that some industrial activity providing for production for stock would be justified.

Wholesalers stocks are noticeably light in some lines and about average in others. Western Canada wholesalers have suffered from the reduced buying power of the Western farmers and much averaging up of stocks has therefore been undertaken. Wholesalers report credit conditions as fair, except in the prairie provinces, though detraction of interest over the recent election has necessitated some extra prodding. In British Columbia a fair volume of trade is being done in hardware despite the continued lack of activity in lumbering, mining and fishing.



HOW HARDWARE PRICES HAVE DROPPED DURING 1921

THE JANUARY AVERAGE IS GIVEN THE UNIT FIGURE OF 100.

Good fruit crops in the Okanagan have helped conditions there but in the northern part of the province the trade is slow in meeting commitments. Vancouver Island represents a very satisfactory condition. On the whole, retail hardware failures in Canada this year have been very light compared with other trades.

Retail stocks likewise are light and surplus stocks of slow selling lines have by this time been pretty well liquidated, under the urgings that such stocks be reduced at any price and a clean slate provided for a fresh start in 1922. In some cases stocks have been reduced to the danger point and possible sales lost by such practice. Under prevailing circumstances, however, it is difficult to anticipate all the tendencies of buyers. As a general rule, hardware retailers have been reducing prices in line with replacement values, but in a very few quarters there is some disposition to hold prices for thirty days or until the high priced stocks of certain lines are cleared out. These few cases have been responsible for the aspersions which have been very unjustly directed at the whole retail hardware trade.

Trade Has Held Up

Taking it as a whole the average run of store trade in hardware has not been very greatly affected. Industrial inactivity has affected trade in industrial centres but the alleged slackness in building has merely had the effect of attracting new lines in household goods to the hardware store and it is unlikely that these will be replaced even though builders' hardware trade again becomes active.

The iron and steel industry represents a gradual improvement in the latter months of the year. Leading Canadian producers are now operating at about 50 per cent. of capacity compared with 30 per cent. early in the year. Recent rail orders placed by Canadian railways will help to maintain activity over the winter months. United States steel mills are operating at about 50 per cent. capacity at present, though some sheet mills are up to about 75 per cent. The recovery in the case of United States mills has been even more rapid than in the case of Canadian mills as judged by the fact that United States mills reached a low ebb of about 18 per cent. in production early in the year. November figures indicate that the increased production was maintained by both United States and British mills.

Recent events in this branch of industry, such as the merger of a number of independents, and pre-inventory price concessions, make it difficult to form an idea of the approximate prices at which the big business which is expected next year will be booked. As for the other metals, it is significant that with the exception of the Central European powers and Russia, non-ferrous metals are dearer in Canada to-day than in any other country in the world. Copper has been showing considerable activity in recent weeks and present prices are expected to be maintained. Tin is, of course, a highly speculative market, the forces controlling the output and marketing of tin being a most exclusive ring. Spelter is showing signs of strength and zinc producers seem to have the situation well in hand with higher prices expected in the new year. Lead is in an uncertain position and it is interesting to note that while December is generally a quiet month for this metal that more lead was sold in the first two weeks of December than during the entire month of November. These are but brief indications of the trend of the metal markets.

Taking the situation as a whole it would seem that the hardware trade is on a fair way toward recovery of normal business at a fair profit. There will be some further adjustments due to the importing into this country of various hardware lines at prices which represent a loss even on to-day's production costs, and due to other influences, but it is generally conceded that the pendulum has had its big swing up and back and that the adjustments yet to be made will be comparable to the settling down movement after the abnormal trend of the last five years.

Moscow quotes Trotsky as saying Russia's offer to recognize debts of Czar's government was based not on changed opinion or fear, but on desire for peace. He said Soviets were willing to discuss even private debts if rest of world would consent to sit down and talk things over.

FARMERS HAVE EXPERIENCED A DIFFICULT YEAR

At Best They Have Little Or No Surplus To Show

MANY IN TROUBLE

Laboriously Built Up Assets Have in Many Cases Been Materially Reduced—But Conditions Benefit

By J. L. RUTLEDGE,
Managing Editor, Farmers' Magazine.

The farmer who has put the same effort, the same enthusiasm, and the same financial investment into his year's work that he has done in the past, has ended the year at the best but little better off than when he started. At the worst, and the worst unfortunately at the present time is the prevailing quality, he has found himself behind, with, in many cases, the assets that he has laboriously built up materially reduced.

It is perhaps as well to take as and paint a gloomy picture of conditions, and prophesy from them a gloomy future. But fortunately, while conditions have been bad enough, they have not been without a certain element of progress, of advancement that augurs well for the future, and of change that is unquestionably for the better.

It is pehaps as well to take as much comfort as may be out of calamitous happenings, and so it may be said that the general downward trend of prices while it has meant hardship to the man who lives by the soil, has at the same time opened for him avenues of opportunity that he is beginning to tread. This is notably the case in the stock and dairy industry. The scrub sire of the herd or flock, has all too generally been adjudged plenty good enough. The pure bred, the average farmer contended, was not for him. He could not afford to invest his money in such a venture. But the general downward trend of prices that has swept over the whole farming industry, has touched the livestock end. Pure bred sires have been selling not at the prices that seemed prohibitive to the average farmer, but at prices to which they had become accustomed for average stock. There never was a time when there was as great an opportunity for farmers to enter the breeding industry as there is to-day. Pure bred stock is to be bought for a song, and while this is something in the nature of a tragedy for the stock raiser, it may well be that looking to the future it may, by improving the quality of our breeds, be a blessing in disguise. Certainly under the energetic fostering of the Ontario Government great strides are being taken in improving breeding herds, and what is true of Ontario is true in a greater or less extent all over the country.

Land Values Down

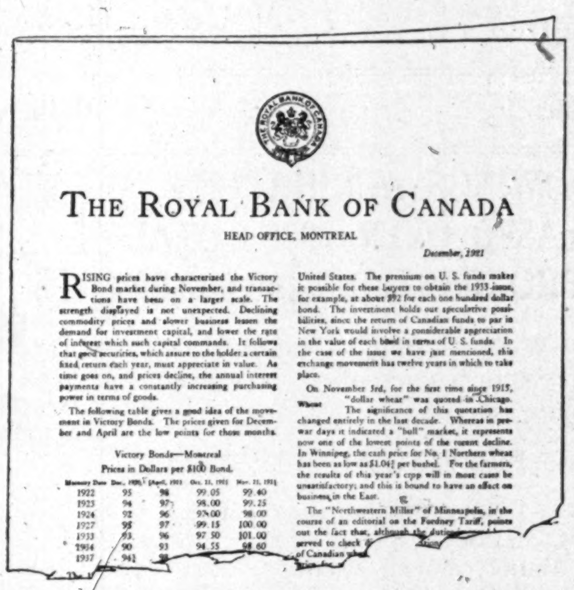
There is still another distressful factor, that may very possibly operate for good. Farm lands are lower in price, with every probability of going lower still. Hard on the owner no doubt, but unquestionably an inducement to a more intensive cultivation of the land, which Canada as an agricultural country so decidedly needs.

Generally speaking the past year has been a hard one for the newly-placed farmer, yet the record of Soldier Settlement on the farm is one of the most satisfactory in the Province of Ontario, even the most optimistic hopes could hardly have asked for more. In the Prairie Provinces it is natural that the results should not be quite as satisfactory. Depending, as this section does, almost entirely on a single crop, there was not this year the opportunity that was offered in the diversified farming areas. But everything considered, the whole campaign of settling soldiers on farms has been eminently satisfactory.

Hog-Raising Industry

There are other factors too that have made the year one of unusual importance to the livestock industry. Notably is this the case in the hog-raising industry, where very definite steps are being taken to put this industry on a sound basis for the future. The hog as everyone probably knows, is generally regarded as one of the best and promptest money-makers on the farm. But of late the producer has been faced with the fact that there was a comparatively limited demand for his product. The reason for this has been that we have not been studying the conditions of our market with the result that Canada has not been producing the type of hogs suitable for bacon production, and Britain, the almost limitless market that we have depended on to take our surplus, has been turning against our product. Fortunately this condition has been realized, and very definite steps have been taken to remedy these conditions, so that in the future there is little doubt that the bacon type of

(Continued on page 22)



THE ROYAL BANK OF CANADA
HEAD OFFICE, MONTREAL

December, 1921

RISING prices have characterized the Victory Bond market during November, and transactions have been on a larger scale. The strength displayed is not unexpected. Declining commodity prices and slower business lessen the demand for investment capital, and lower the rate of interest which such capital commands. It follows that good securities, which assure to the holder a certain fixed return each year, must appreciate in value. As time goes on, and prices decline, the annual interest payments have a constantly increasing purchasing power in terms of goods.

The following table gives a good idea of the movement in Victory Bonds. The prices given for December and April are the low points for those months.

Victory Bonds—Montreal
Prices in Dollars per $100 Bond.

Maturity Date	Dec., 1920	April, 1921	Oct. 31, 1921	Nov. 21, 1921
1922	95	98	99.05	99.40
1923	94	97	98.00	99.25
1924	92	96	97.00	98.00
1927	95	97	99.15	100.00
1933	93	96	97.50	101.00
1934	90	93	94.55	98.60
1937	94½	[illegible]		

United States. The premium on U. S. funds makes it possible for these buyers to obtain the 1933 issue, for example, at about $92 for each one hundred dollar bond. The investment holds out speculative possibilities, since the return of Canadian funds to par in New York would involve a considerable appreciation in the value of each bond in terms of U. S. funds. In the case of the issue we have just mentioned, this exchange movement has twelve years in which to take place.

Wheat On November 3rd, for the first time since 1915, "dollar wheat" was quoted in Chicago. The significance of this quotation has changed entirely in the last decade. Whereas in pre-war days it indicated a "bull" market, it represents now one of the lowest points of the recent decline. In Winnipeg, the cash price for No. 1 Northern wheat has been as low as $1.04½ per bushel. For the farmers, the results of this year's crop will in most cases be unsatisfactory; and this is bound to have an effect on business in the East.

The "Northwestern Miller" of Minneapolis, in the course of an editorial on the Fordney Tariff, points out the fact that, although the duties [illegible] served to check [illegible] of Canadian wheat

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INSURANCE BUSINESS SUFFERS EXPECTED REACTION FROM POST-WAR ACTIVITY DURING PAST YEAR

Decreased Industrial Operation and Purchasing Power Brings Contraction in Amount of Insurance Written

LIFE BUSINESS DOWN 15 PER CENT

Have Increased in Borrowings on Policies—Fire Companies Suffer Heavy Losses and Loss Ratio Will Probably Extend Well Above Premium Receipts for the Year—Due to Increased Moral Hazard, the Outcome of World Depression

By G. D. FINLAYSON,
Superintendent of Insurance

The year 1921 saw in the insurance business as in industry generally the long expected reaction from the war-time and post-war-time activity. Indications of this reaction in the insurance field were in evidence at the end of 1920, and although the reduction in business was not material in the early months of 1921, the tendency towards contraction became more pronounced as month succeeded month, and the volume of business written for the last two or three months of the year on the average showed a marked reduction from the business of the corresponding months of 1920.

Life Insurance

In life insurance the year has not only seen a slowing up of production but it has been a testing time for the business written in the preceding years, particularly in the year 1920. A period of decreased industrial activity and purchasing power is a veritable testing scale for recent business. Nothing so quickly distinguishes the good from the bad, the "sold' from the "unsold", and as is to be expected, much of the 1920 business and that of earlier years as well has been found wanting. The lapse record for 1921 bids fair to rival the record of the year 1915.

The gross amount of new business issued in 1920 by all companies in Canada amounted to $698, 875,950, while the new business issued and paid for in cash amounted to $630,110,900. If, as now appears probable, a 15% reduction from these figures is experienced we will have gross business issued about $594,000,000 and business paid for in cash about $535,000,000. It is never pleasant to those engaged in any business to experience a retrogressive movement, but some comfort may be derived by a comparison of the foregoing figures with the following:

Year	Gross business issued.	Net amount issued and paid for in cash.
1917	$294,970,256	$277,532,095
1918	346,747,867	307,279,759
1919	572,906,085	517,863,639

The year has also seen, as was to be expected, a revived demand for policy loans. The amount of new policy loans made during the years 1918, 1919 and the first half of 1920 showed practically no increase. The demand quickened in the latter half of 1920, and for the first six months of 1921 the new loans made were almost double in amount those of the corresponding period of the year 1918. The comparative figures by half years are as follows:—

Period	New Policy Loans Made
Jan.-June, 1918	$ 5,360,094
July-Dec., 1918	6,014,803
Jan.-June, 1919	5,461,529
July-Dec., 1919	6,933,446
Jan.-June, 1920	6,962,033
July-Dec., 1920	9,432,678
Jan.-June, 1921	10,661,222

The summary figures for the period of Jan. 1, 1918 to June 30, 1921 respecting policy loans are as follows:—

Total policy loans made	$50,825,805
Policy loans repaid—	
On surrender of the policy	$ 9,390,574 (24%)
On maturity by death	2,455,467 (6%)
On maturity otherwise	4,976,928 (13%)
Prior to maturity of policy	22,893,212 (57%)
Total repaid	$39,716,181

The bright spot in the situation so far as the Head Offices are concerned is to be found in the death rate. An unusually favourable mortality has done much to counteract the waste which accompanies an unusually large lapse rate. The effect on the surplus of the companies will probably be quite marked and many of the companies will celebrate the end of this year a return to their pre-war surpluses.

During the war years, the excessive depreciation in the market-values of securities was dealt with by a series of Orders-in-Council authorizing for bonds and debentures the continuance of the values used at the beginning of the war, except in cases where obvious intrinsic depreciation had occurred, and this basis of valuation was continued until the year 1920. Since the lapsing of the War Measures Act, authority for the passage of these Orders-in-Council is lacking and a return is this year being made to the statutory basis of actual market values. The experience of the war and of the panic of 1907 however shows the necessity of there being left with the Governor-in-Council authority for the modification of the statutory basis in the case of financial crises such as those referred to and a provision for such a modification was contained in a Bill amending the Insurance Act discussed at the last Session of Parliament but postponed until the next Session.

The year just closing saw a repeal of a provision in the Revenue Act of the United States which had considerable interest for Canadians. This provision imposed a tax upon insurance paid by United States life insurance companies even in cases where the holder was a non-resident. This provision, if enforced, would have rendered liable to taxation all life insurance, with certain exemptions, payable to Canadian beneficiaries by United States companies. The constitutionality of the tax had been disputed by the companies concerned and it remained practically a dead letter so far as Canadian beneficiaries were concerned. The uneasiness felt by many policyholders was, however, entirely removed by the repeal of the provision in November, 1921.

Exchange a Perplexing Problem

The question of exchange on United States funds has also been a perplexing problem. Some years ago, most of the Provinces, following legislation in the Province of Ontario, legislated to provide that, notwithstanding anything contained in the contract, all moneys payable under policies delivered within the Province should be payable in Canadian currency. This legislation was retroactive and affected all policies issued before as well as after it came into force. For the policyholder who has paid premiums continuously in Canadian currency there is of course no hardship in this legislation, but in the case of policyholders who had paid one or more premiums in United States funds against a substantial premium on exchange, it is but natural that they or their beneficiaries should be disappointed at being tendered Canadian funds in settlement and at having Canadian legislation quoted in justification of the tender. In all such cases, the companies have been willing to adjust the premiums paid in United States funds, but in the case of one province, a remedy has been sought by an amendment in 1921 which repeals the former legislation in so far as United States companies are concerned and provides that in the case of those companies the contract shall govern. This legislation is also retroactive and applies to all policies heretofore issued.

The year 1921 has seen also a movement towards uniformity of beneficiary laws throughout the various provinces. This movement has been taken up by the Committee on Uniformity of the Canadian Bar Association in co-operation with the provincial authorities, and it is to be hoped that the outcome will be the removal of the many unexplainable divergences which now exist. It is however to be sincerely hoped that any changes made in these provisions will not be made retroactive but will apply only to policies issued after the necessary legislation becomes effective. The law respecting beneficiaries in force at the time of the issue of a particular contract is an essential part of the contract and is regarded as such by the policyholder, and any subsequent change such as the addition to, or removal from, the list of preferred beneficiaries of a particular relative, or a change in the disposition of the share of the policy apportioned to a deceased ordinary or preferred beneficiary, amounts to a violation of the contract and may cause serious misunderstanding and hardship.

There were no new licenses granted for life insurance business during the year nor were there any new life companies incorporated by Parliament. A company incorporated at the Session of 1920, The Armour Life Insurance Company, has not yet been organized. The provisions in the Insurance Act respecting organization of companies have no doubt operated as a deterrent to the incorporation and organization of new companies, but in view of the methods adopted in former years in building insurance companies, some regulation was found to be necessary, and the placing of some responsibility upon the promoter for the successful organization and licensing of the company does not appear unreasonable.

Fire Insurance

The business of fire insurance has also suffered a considerable contraction in volume and at the same time an unwelcome expansion in the losses incurred. The total fire and casualty premiums reported to the Department for taxation during the first nine months of the year amounted to $55,065,890 compared with $56,504,368 for the corresponding period in 1920. The reduction, however, is greatest in the third quarter of the year, and it will not be surprising if the figures for the entire year show a decrease of at least 10%. Assuming that this reduction applies to fire insurance business alone, the premiums for the year will amount to approximately 45 million dollars compared with 50 millions in 1920 and 40 millions in 1921. This reduction in business will mean a reduction in the reserve of unearned premiums at the end of the year and a consequent relief in favour of the companies from the comparatively high loss ratio which is to be expected.

This increase in the loss ratio is world wide and is apparently the inevitable result of wide-spread contraction in industry and reduction in replacement values with the increased moral hazard which accompanies these conditions. This development has been expected by insurance companies ever since the end of the war, and the remarkable feature is that it has been delayed so long. That it has not made itself felt at an earlier date is probably due to the improvement in construction and private protection and to the greater attention now being given to fire prevention work by the public generally.

Fire Loss Ratio Heavy

During the years 1919 and 1920 fire insurance companies in Canada paid 41.67% and 43.41% respectively of the premiums received, while the losses incurred were respectively 44.34% and 51.50% of the premiums earned, the latter function being computed by deducting from premiums written the increase in the statutory reserve. Unofficial reports of the losses for the current year would indicate that the loss ratio on a cash basis will this year considerably exceed 50% of the premiums received, and while the statutory reserve will probably show a decrease, it will not be surprising if the ratio of losses incurred to premiums earned will also be found to exceed that percentage.

The influx of British and foreign fire insurance companies to Canada has continued although in slightly smaller numbers than in 1920. British companies entering were The Caxton Insurance Company; the Autocar Fire and Accident Insurance Company; The Patriotic Assurance Company; The British Oak Insurance Company and the United British Insurance Company. From the United States came the Pacific Fire Insurance Company; the New York Reciprocal Underwriters; the Individual Underwriters and the Security Insurance Company of New Haven, and from France The Urbaine Fire Insurance Company.

During the year the Treasury Board modified the conditions as to deposit on which companies already licensed for fire insurance could obtain licenses for explosion insurance, and as a result of this action, explosion licenses have been issued to twenty-two companies for this class of business. The addition of this power, will enable companies to cover both fire and explosion hazards in plants subject to the latter risk and the adjustment and settlement of claims will probably be found to be thereby facilitated.

Form of Statement Modified

The form of annual statement to be furnished to the Department by fire insurance companies as well as casualty companies has been modified during the year to conform more nearly to the form of accounts used in Great Britain, the principal change being the adoption of a revenue account instead of the cash account formerly in use. The new form of statement will therefore show instead of cash premiums received and losses paid in cash, the premiums written and the losses incurred. There is also included in the new form a schedule for the classification of the companies' experience according to the various classes of risks. The number of classes included in the classification is 29. Residential and farm risks are segregated from mercantile and from manufacturing. The classification in the special hazards follows closely the classification used by the companies for rating purposes. It is believed that these returns after five or ten years will be of some value in determining whether the premium rates have been commensurate with the hazards involved in the various classes of property.

In fire insurance as in life insurance there has also been a movement towards uniformity of provincial legislation particularly in respect of the statutory conditions. This work was undertaken several years ago by the Commissioners on uniformity of the Bar Association and it is gratifying to note that their efforts are likely to meet with success.

Reduction in Rates Effected

During the year substantial reductions in fire insurance rates became effective in British Columbia and later in the year in several cities of Ontario. This reduction was made by the companies voluntarily in recognition of the favourable loss ratio or increased protection from fire. It is probable that reductions in other Western Provinces in which the loss record has been in recent years quite favourable will be made in the near future.

It is becoming generally recognized that the rate of fire insurance premiums is very largely in the control of the public and that if reduction of hazard can be shown, by improved construction or better maintenance and private public protection, rates will be adjusted to meet new conditions. No greater incentive towards fire prevention could be given than this.

Casualty Insurance

The experience of the companies in many of the casualty lines will be found to follow closely the experience in fire insurance. A number of the classes have produced exceptionally high loss ratios outstanding examples being that of hail insurance which will show a loss ratio of about 100% and the theft feature of automobile insurance in which an even higher ratio will be revealed by the complete figures. The experience in burglary insurance has also been unsatisfactory.

In automobile insurance the unfavourable moral hazard has been present to an unusually great extent. The reduction in the replacement values of insured cars has without doubt been responsible for a large portion of the loss that has been incurred.

The experience in accident and sickness insurance will probably be found to be fairly satisfactory as health conditions throughout the year have been favourable.

During the year 1921 the business of rain insurance has been transacted to a considerable extent, a considerable number of out-door meets of various kinds having been insured against loss of expected profits. During the year also a license was issued for the transaction of insurance against loss of investment in crops through drought, insects or disease.

The transaction of sprinkler leakage insurance has been facilitated by a ruling of the Treasury Board which has permitted a company licensed for fire insurance to obtain a license for this class of business without additional deposit. As a result of the increasing adoption of automatic sprinkler protection the demand for this form of insurance is likely to increase.

Fraternal Insurance

During the year 1921 the first statements and actuarial reports under the 1919 amendment to the Insurance Act respecting Fraternal Benefit Societies fell due covering the business of the year 1920. It is gratifying to the Department to note the care which has been taken by the actuaries of these societies in preparing their reports, and in the case of those societies which have not yet attained complete actuarial solvency the effort which is being made to attain that standard before the expiration of the statutory period in 1925. It is confidently expected that by 1925 all the societies now licensed will be able to show actuarial solvency.

Litigation

As in 1920 the amount of litigation arising from resisted insurance claims has been comparatively small.

An important decision of the Privy Council having a bearing upon the insurance business was that on the consolidated appeals from the Supreme Court of Canada and from the Supreme Court of Ontario involving the interpretation of the Companies Acts of certain provinces. This decision goes far to establish the right of Dominion Companies to transact their business free from interference by the Provincial authorities. It has in this respect confirmed and strengthened the decision given in the John Deere Plow case and is therefore of the greatest importance to companies transacting the business of insurance under Dominion incorporation and license.

RECOVERY IN PACKING

Thos. E. Wilson Says 1921 Output Has Been Normal

In response to requests for a statement regarding the present situation and outlook of the American packing industry, **Thomas E. Wilson**, president Institute of American Meat Packers, said in part:

"All business may find a good omen in the fact that the largest industry in the United States—slaughtering and meat packing—apparently has finished the year 1921 with a normal annual production and that this production has not been crammed into warehouses but has passed freely into trade channels and thence into consumption.

"A good augury for business in general also inheres in the fact that the nation's greatest industry, after two years of severe trials and grievous losses, is finally and definitely emerging into stable conditions and settling into a strong position."

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CAUTION IS THE DOMINATING NOTE IN STEEL TRADE

Year Has Been a Hard One For Steel Working Industries

LOOKING TO FUTURE

Indications That There May be An Improved Tone to the Situation With Spring Demands

By **J. H. MOORE,**
Editor, Canadian Machinery

To portray the condition of the steel market in Canada at the beginning of 1921, we must go back to December 1920. Business was very poor; orders were few and far between; yet everyone felt that the beginning of the New Year would see a change for the better.

This prophecy did not come to pass with the result that the market entered the year in a very weak condition. Cancellations were flying around to such an extent that many firms refused to recognize them. The only bright spot was the opening of a bar mill in one Canadian steel plant.

Corporation mills were running at about 92 per cent. at the beginning of January, but by the end of the month the average of all mills combined was stated to be about 55 per cent. The Corporation mills were fairly busy. but many of the independents were idle. Machine tools were hardly moving, and the scrap metal market was practically dead.

About the middle of January, a new price was announced for pig iron, and No. 1 foundry iron sold for $43.64 per ton. Buying, however, was not active, most firms taking only what they actually required. A reduction in steel industry wages, in the Chicago district, was announced around the end of the month, the drop amounting to 20 per cent.

January Price Changes

At the close of January, several changes in price occurred. Different lines of steel products dropped slightly, and where orders were of decent proportions, price cutting was the general rule. Competition was very keen, and whenever an order loomed on the horizon, a veritable host of salesmen swooped down to scoop it up.

On February 10th, pig iron was quoted in the Toronto district at $39.25, while some sales of the same grade of iron were made in the U. S. at the then low price of $29 a ton although there was a movement on foot to force it down to $25. Boiler tube makers were showing signs of disappointment about this time, because earlier in the season it looked like a good year for them. The demand dropped off quickly and many cancellations were made. A 20 per cent. cut in steel workers' wages at Sydney, N. S., occurred about this period and the outlook appeared none too promising in the Sydney district especially.

Machine Tools

The remainder of February witnessed many changes. Prices on motors, gear cutting machines, grinders and other tools dropped from 10 to 20 per cent. Dealers were getting fed up on cancellations, with the result that to cancel an order was well nigh impossible. Bars, plates, etc., were cut. Tin plate held firm. Pig iron was selling in and around $25.00 this price later becoming a recognized market figure. Production of the corporation at this period was around the 80 per cent mark, with the prospect that in a few weeks more they would be down to about 50 per cent. capacity.

In March, machine tool dealers announced reductions. The Independents dropped to 20 per cent. capacity, while the Corporation eased off to 60 per cent., this making the average production in the industry around 40 per cent. Pig iron also went down, hitting the 50 per cent. mark.

About the end of March it was announced that the Dominion Steel Corporation, and the Nova Scotia Steel & Coal Company would amalgamate, the first meeting of shareholders being called April 7. Around April 21 the Independents slightly increased prices, while the Corporation on the other hand dropped their figures. This double movement stabilized the market, but there yet seemed a doubtful air about the whole affair.

On May 12th another sag took place, production dropping to 31 per cent. Price cutting was very much in evidence during this time, competition being very keen. July was the worst month of the year. In the first two weeks, the mills only worked at 20 per cent. capacity, many closing down, rather than lose further money. Foundry iron could be bought for $21, but even at this low figure buyers were few and far bteween. Further reductions in price were made during July, but a feeling existed that such drastic reductions were only temporary. In August many things of importance occurred. Prices on small tools dropped slightly further; common labor at the steel mills came down in some cases to 25 cents per hour although as high as 37 cents was paid in other mills. The chief feature of the month was noticeable improvement in demand on the steel mills. At the middle of August production had increased from 25 to 40 per cent, and from then on decided improvement occurred.

Freight rates on iron ore dropped 28 per cent. in October, but this did not help finance men much as they had large piles of ore at their furnaces. Later on the price of rails dropped $7 per ton, this making the sales price $40. Several good sized orders for rails were secured during the month by Canadian mills, and further important rail business was contracted for later on.

Markets Taper Off

Entering November we find that all markets tapered off. The steel mills operated at about 40 per cent.; sheet wire, pipe and tin plate mills at 50 per cent., and both the scrap metal and machine tool market refused to come to life. About the middle of November a ray of hope, so far as Canada was concerned, flashed out, some rather good sized orders on steel for construction purposes being closed. This proved a flash in the pan however, and things settled back into the usual groove until the end of November when American railroads ordered 5,000 new cars. The original order was added to later on in December, but even this activity on the part of the U. S. railways did not cause Canadian roads to do likewise.

Review and Outlook

Reviewed as a whole, 1921 has been a very hard one for the steel, and steel working industry. Automobile firms have retrenched considerably, thus shutting off an important customer; machine tool manufacturers have merely marked time, and the management of industrial plants generally have adopted a most cautious buying policy. Not a cent has been spent, except unavoidable, lowering of prices has not stimulated demand as was expected, some believe that prices will have to drop further yet before a reasonable demand will take place. Second hand tools have sold much better than new machines during the past year, many of these tools being left overs from the war period.

What 1922 holds in store, no one cares to predict. Some say that a steady improvement will take place, as soon as the New Year comes in, but it is our belief that no definite improvement will be noted until the month of March at least. Any upward tendency from then on will be gradual only, for buyers will not lose their cautious spirit over night. However, the year 1922 should see considerable activity in the steel trade, and while profits may not be as high as in past years, it will be quite sufficient to carry on.

KRUPP FINANCING

Big German Concern to Sell Stock to Workers

Berlin cable says directors of Krupp's plant, employing 99,000 men, will issue 250,000,000 marks in stock to be sold to employees at nominal price of 110 a share against 1,000 marks which company could get on Bourse. Gross profits for year 225,000,000 and net 97,000,000 marks against gross of 159,000,000 and net of 79,000,000 last year. Of 225,000,000 marks gross this year, 145,000,000 went for income taxes. Of 97,000,000 marks net, 14,000,000 will go for dividends, 40,000,000 for improvements and 40,000,000 to Dutch bankers to redeem stock hypothecated some time ago.

A BIG DECLINE IN U. S. FOREIGN TRADE

Falling Off in Values Largely Responsible For the Showing Made

Foreign trade figures of the United States in the calendar year 1921 show a heavy reduction in their stated value of the merchandise entering and leaving the country. In no single year in the history of our foreign trade, says the Trade Record of The National City Bank of New York, have the official figures shown such a percentage of reduction. The total foreign trade of the country, imports and exports combined, stood at 13½ billion dollars in the calendar year 1920, the highest total ever reached, and eleven months' figures ending with November, 1921, justify the assertion that the total for the full year just ended will not exceed $7,000,000,000, and will probably fall a little below that total as against 13½ billion dollars one year earlier.

The reduction in the total values of the merchandise entering and leaving the country in 1921 will be about 48 per cent.; in imports the reduction will be approximately 53 per cent. and in exports 45 per cent.

This fall off in the values of the foreign trade in 1921, when compared with 1920, extends to every great group of articles, both in imports and exports. Raw manufacturing material imported shows a fall off of about 53 per cent. in total values; foodstuffs 63 per cent. and manufactures 43 per cent., these figures being, of course, in very round terms, the smaller reduction in manufactures being due to the fact that importers are bringing in larger quantities of manufactures in anticipation of a higher tariff. On the export side, manufacturing material shows a fall of 48 per cent., foodstuffs 33 per cent. and manufactures 51 per cent., these figures as to exports being also necessarily in very round terms.

Considering the trade of the country with the grand divisions, imports from Europe show a fall of 38 per cent., from North America 54 per cent., from South America 64 per cent. and from Asia and Oceania 58 per cent. Exports to Europe show a decline of 45 per cent., to North America 40 per cent., to South America 56 per cent. and to Asia and Oceania 39 per cent.

AREA—251,700 square miles
161,088,000 acres

POPULATION:
Census, 1911 492,432
Dominion Estimate, 1919 744,000
Provincial Estimate, 1921 ....

Saskatchewan Leads

SASKATCHEWAN has for many years been recognised as the western Granary of Canada, and for several seasons more than half the wheat produced in the Dominion has been grown in Saskatchewan.

At the same time the most outstanding feature of Saskatchewan's agricultural development in recent years has been the great increase in diversified farming. This is shown both in the quantity and the quality of her live stock, the latter being demonstrated by the sweeping successes secured at the Chicago International and at the Ontario Winter Fair. At Chicago this year Saskatchewan secured one Grand Championship and two Reserve Senior Championships for Clydesdales, the Reserve Senior Championships for Percheron stallions and Belgian mares respectively. At the Ontario Winter Fair, out of the six championships, that is two for each of the three breeds, Clydesdale, Percheron and Belgian, Saskatchewan secured five out of the six. Other live stock also did well and Saskatchewan exhibits secured a total of 102 prizes at the two exhibitions.

Only twenty-five million acres of the vast amount of arable land in the province are now under cultivation. This means plenty of room for those seeking land, opportunities for those seeking to invest capital, and great resources behind provincial and local community bonds.

AGRICULTURE

Saskatchewan raised 418,000,000 bushels of grain in 1921.

Saskatchewan's dairy products from her forty-nine creameries were valued at over $20,000,000.

Saskatchewan has more horses than any other province in Canada.

Saskatchewan is steadily turning more and more to mixed farming, which means more permanent agriculture.

Saskatchewan has the opportunities, the soil and the climate, her chief need is the population.

PROVINCE OF SASKATCHEWAN
Financial Report--October 31st, 1921

PUBLIC DEBT:		
Gross Debt		$ 48,531,199.03
Less debt created for utilities, etc., which carry public debt charges	$24,553,163.67	
Sinking Funds created for the redemption of debt incurred for purposes other than utilities, etc.	1,559,751.68	26,112,915.35
Net Debt		$ 22,418,283.68
Debt per Capita: Gross $58.24, Net $26.90.		
SINKING FUNDS		$ 2,855,572.62
PROVINCIAL ASSETS		84,353,683.28
REVENUE—For fiscal year 1920-21		11,789,919.93
Dominion Subsidy	$1,753,075.00	
EXPENDITURE—For fiscal year 1920-21		12,151,665.38
PROVINCIAL RAILWAY GUARANTEES		28,582,011.99
The Canadian Northern Railway (guarantee $15,370,879.99) is now part of the Canadian National Railways; the Grand Trunk Pacific Branch Lines (guarantee $13,211,132.00) are also being acquired by the Dominion Government.		
GUARANTEES—Given in advancement of Agricultural interests		3,146,180.41
OTHER GUARANTEES		35,000.00
ESTIMATED ASSESSABLE VALUE OF ALL PROPERTY WITHIN THE PROVINCE		$1,200,000,000.00

A. PERRING TAYLOR,
Deputy Provincial Treasurer.

INDUSTRY

Saskatchewan is a province of great industrial possibilities.

Saskatchewan has white clays suitable for the manufacture of tableware, stoneware and pottery, refractory clay for fire brick and tile and building brick; coal, oil, timber and other valuable natural resources in abundance.

Saskatchewan has openings for industrial establishments in every line. line.

Saskatchewan has a Provincial Government Bureau of Labour and Industries, which is prepared to furnish analyses, facts and suggestions toward helping industries establishing in the province.

Saskatchewan has with its 800,000 people a vast purchasing power that will ensure success to any sound industry established within the province.

Saskatchewan has three transcontinental railroads and a network of branch lines of 6,172.22 miles.

MEMBERS OF THE GOVERNMENT

Hon. W. M. Martin, K.C.—Premier, President of Council, Attorney General, Minister of Telephones and Telegraphs, Minister of Railways.
Hon. A. P. McNab—Minister of Public Works, and Minister in charge of the Bureau of Public Health.
Hon. Chas. A. Dunning—Provincial Treasurer, Provincial Secretary, Minister of Municipal Affairs, Minister in charge of the Bureau of Labor and Industries.
Hon. Sam. J. Latta—Minister of Education, and Minister in charge of the King's Printer Office.
Hon. Chas. M. Hamilton—Minister of Highways, Minister of Agriculture.
December 12, 1921.

Province of
SASKATCHEWAN
Treasury Department
Legislative Buildings - REGINA

BANKS HAVE LED WAY REGARDING READJUSTMENT

Progress Made Towards Peace-time Basis During Year

IMPORTANT EVENTS

Merchants' Affair Regrettable Incident—Period of Branch Expansion at End for Present—Looking to Future

By J. H. HODGINS,
Union Bank of Canada, Winnipeg.

In the twelve months of 1921, Canadian and international banking passed through many vicissitudes, but measurable progress was made in getting back to a peace-time basis—along with the reconstruction of industry and finance generally.

A cursory study of banking in 1921, in its broadest conceptions, might lead to a sceptical view of the near future. But if one scans the year's record with the idea clearly fixed that the business recovery involved a drastic re-adjustment—and may in the final analysis only be fully determined by an improvement in the international situation—the progress which has been made no doubt will be viewed as an indication of the further progress to which we may look forward in the coming year.

The twelve months were marked by falling prices, that included a $437,000,000.00 shrinkage in the Dominion crop return, and a general contraction in our trade and commerce both at home and abroad. The result was a pronounced falling off in the volume of business passing through the banks of the Dominion. Declining bank clearings in the closing months of the year were a reliable barometer of the banking situation.

Despite the extreme shrinkage of domestic and foreign trade Canadian banks retained their statu quo. If no forward movement was registered at least—with possibly the one exception—there were no distressing setbacks.

Absorption Of Merchants

The most regrettable single incident of the year involved the Merchants Bank of Canada, and, as a result this time-honored institution will lose its separate identity. As the nearest approach to a domestic banking crisis the passing of the Merchants Bank is outstanding for the last decade; it furnishes conclusive evidence particularly to the lay mind of the trying times through which our bankers have labored. The consummation of the proposed Bank of Montreal-Merchants Bank consolidation will leave seventeen chartered banks to function for Canada in the coming year.

The extreme improbability of new banks arising in the immediate future is realized because of the difficulty experienced in securing capital for new enterprises. Two attempts have been made in the last three years to start a new bank in Canada but neither has been successful. The public was reluctant to hazard funds to promote new banking projects when it was considered that this country was so amply provided with banking equipment.

Too Many Branches

Within the Dominion the mad scramble of the post-war period, to open branch banks virtually ceased. We now have 4,900 branch banks in Canada—one bank for every 1,800 persons. In the United States there are 36,000 banks or one for every 2,877 persons.

During 1921 a very considerable number of unprofitable banking offices were weeded out of the branch system. Otherwise with the year's new openings the 5,000 mark would have been passed. Bank executives however, with their fingers on the business pulse of every Canadian community, have of necessity been compelled to consolidate their positions.

For the time being the policy of extension within Canada seems to have subsided. There probably will be less tendency in 1922 toward the establishment of further Canadian branches. Only with definite assurance of the complete recovery of the economic situation as a whole, abroad, together with a substantial revival in Canadian business could Canadian bankers be induced to commit themselves to a fresh program of extension.

The one factor calculated to stimulate our branch bank situation and bring about another "boom" in branch bank openings would be a great inrush of new settlers to the Dominion.

Immigration Needed

If, as Western interests are disposed to foresee, the new administration at Ottawa inclines to an aggressive immigration policy the opening up of new settlements may warrant further banking departures. On the other hand the immigration tide is likely to follow beaten channels further populating settled areas already served by the banks.

The Union Bank of Canada's penetration of the sub-Arctic was a picturesque departure. The actual establishment of a branch bank at Fort Smith, N. W. T., gave the vast Mackenzie district its first banking accommodation. If the contemplated establishment at Fort Norman itself is carried out as is known to have been arranged the Union Bank probably will have the most northerly bank in the world, its location being at 66 degrees north.

Bank Losses Abroad

Sir Frederick Williams-Taylor's assertion that "more money has been lost by foreign banking institutions operating in certain directions abroad than ever before in a similar period in any country" crystallizes the reason for the inaction this past year of Canadian bankers in the international field. Sir Frederick clearly refers to American banking enterprises, in which Canadian banks are not heavily involved though in one or two instances of course Canadian institutions have a direct interest in a foreign trade banking venture which has its headquarters in the United States.

The recent decision of the Guaranty Trust Company of New York to set up an extraordinary reserve of $15,250,000,000 to cover "any losses that may be sustained from banking operations in Central and South America" is one of the most drastic correctives that has been set up as the result of losses to which Sir Frederick refers.

Canadian bankers are to be congratulated that they have not become heavily involved in international banking losses. There can be no doubt that the majority of them foresaw the situation that was breaking more than a year ago and carefully avoided extending their position abroad.

In South America

The one important foreign departure of the year was undertaken by the Canadian Bank of Commerce which in November for the first time penetrated South America, proper, with an opening at Rio de Janeiro, Brazil, where another Canadian institution, the Royal Bank of Canada, has been established for some time.

The courage shown in this venture abroad is remarkable in face of the fact that toward the close of the year more than fourteen branches of American banks were closed. It will be accepted as a tribute, however, to the farsightedness of Canadian bankers, who, looking well beyond immediate vicissitudes, and with characteristic Canadian optimism are disposed to take a stake upon the longer future and back their confidence in the probable development of Canadian commerce with South American countries. Sir Edmund Walker, the Bank of Commerce President, himself visited South America early in the year, accompanied by a group of executive officers, so that the Bank actually became intimately conversant with the situation before the decision to establish there was sealed.

The firmness of Canadian exchange in New York toward the close of the year was regarded partly as the result of an unexpected fall grain movement—unexpected in the face of the Fordney Emergency tariff—partly the result of the unusually heavy sale of Canadian securities in the New York market, and very materially a sympathetic reaction to the rise of Sterling.

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paid on deposits

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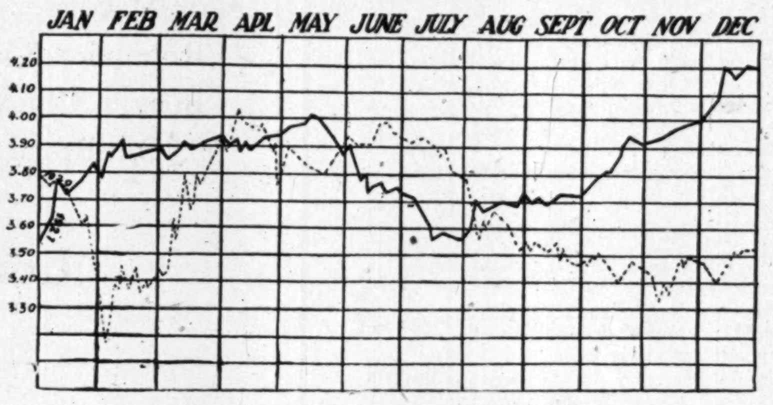
Exchange Markets Respond To Prospect of End of Chaos In International Affairs

Sterling and New York Funds Establish New Discount Levels—Mid-Continental Exchanges Suffer From Violent Depression

The exchange markets during the past year have reflected all the irregularities of the adjustment era, and fluctuations on the whole have been fairly extensive. Particularly was this so in the case of a number of mid-European currencies which gave a graphic demonstration of the demoralized financial condition of the governments they represent, and reacted with the most drastic violence. Russian roubles, Austrian crowns, Polish marks and to a lesser degree German marks, all without adequate gold backing, have depreciated to such a degree that they now represent but an infinitesimal measure of their former valuation. Sterling, francs and Canadian funds gave a better account of themselves, and on the whole behaved in a very creditable manner. These currencies displayed outstanding strength in the closing weeks of the year. American funds as usual stood at a premium in the markets of the world.

The extreme weakness of a number of continental exchanges was an outcome of the disorganized world situation, an aftermath of the war. Huge war debts, the high cost of living, the decline in production, the heavy exports of gold to the United States in a vain attempt to stabilize exchange, and the rapid increase in the amount of paper money in circulation all tended to the depreciation of the purchasing power of the various currencies. Then with the decline in value, a wave of speculation and gambling in foreign exchange swept over these countries whose currencies were in such a position that they could buy to advantage at the depreciated rates of exchange. The purchase of foreign exchange tended to further intensify the weakness of the markets. Fortunately the gambling spirit did not gain a firm foothold in this country as in some others especially the United States, but purchasers for such currency stand a good chance to lose on their speculation, and at the best cannot look for a return for many years.



Course of Sterling in 1920 and 1921

World Situation Complicated

The world situation has been of a particularly complicated and unsatisfactory nature. With excessive debts the burdens of taxation have become almost unbearably heavy. International trade has fallen to the lowest point in years. The exchange situation acted in the same capacity as a tariff barrier, for the poverty-stricken countries could not afford to buy from the United States or Canada with their depreciated currencies. The price to the home consumer would be prohibitive, and even Great Britain was largely barred from the American markets because of the adverse exchange situation. Nor was the United States situated to any better advantage to compete for foreign trade. Because of her financial strength no other country could afford to buy from her, and she has been forced to find her market at home. The weakened exchanges precluded the possibility of entering definite trade contracts for there was no stable basis of estimating prospective costs, and there was no assurance that once a price had been determined the exchange would remain unvaried for a month or a week or even a day, or long enough to insure delivery. Under such conditions international trade was practically impossible, or at best has been carried out in the most conservative manner.

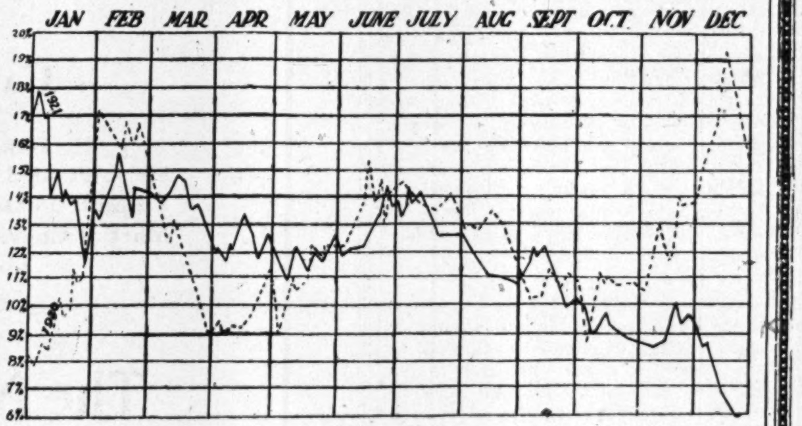
The attached table indicates fairly accurately the altered relation of gold to notes in a number of the more important countries as between the years 1914 and 1921.

	Gold. 1914.	Notes 1914.	Gold. 1921.	Notes. 1921.	Notes. Gold to
Argentina	$235*	$428	$453	$578	78%
Belgium	53	180	52	1,180	4½
Brazil	125	175	24	554	4
Denmark	20	42	61	129	49x
France	806	1,304	690	7,160	9.7
Germany	298	692	260	24,300	1.1
Italy	167	524	164	4,140	4.00
Netherlands	66	156	244	408	55.
Norway	14	33	30	101	30.
Roumania	43	147	84	2,384	3½
Sweden	28	60	75	166	45.
Unit. King.	195	140	764	2,115	36.
U. S.	1,028	1,056	2,944	3,637	80.00

*In millions of dollars. x—July, 1921, figures.

A Revision Upward

Of late weeks, however, with the seeming possibility of the restoration of some semblance of order in the chaos of international affairs as a result of the performance of the arms conference at Washington, and the prospective approach to the solution of the Irish question the exchange markets have taken a very decided turn for the better. There has been a very rapid revision upward in Sterling, Canadian funds and in a more moderate degree in francs and others. Roubles, marks and crowns have been so radically depressed, however, that a seeming betterment of their position has done so little to restore their purchasing power that the improvement is almost negligible. The trend in New York funds and Sterling has been fairly steady toward par throughout the year, but a decided impetus has been gained during the last few weeks, which has carried Sterling in terms of New York funds to above the $4.20 mark, the highest point in more than two years, and New York funds down to a margin of 6 per cent. and is in direct contrast to the situation at the close of the previous year when both exchanges were very heavily depressed. Improvement in New York funds, is accounted for in addition to the constructive influence of the arms conference, to New York, and in the sale of Canadian securities in the market, all, creating a demand for Canadian funds. The trade situation shows an apparent improvement. The adverse balance of Canadian trade has been reduced for the later months of the year, and British trade statistics show a greater preponderance of exports in the total. It is possible, however, that this situation is one of the results of the business depression through which all countries are laboring, and the consequent decline in imports of raw materials, which both Great Britain and Canada secure in fairly abundant quantity from the United States.



Course of New York Funds in 1920 and 1921

While it is rash to predict on the course of exchange, the situation that has prevailed throughout the year provides ground for the belief that the day of widely fluctuating markets for the exchanges most commonly dealt in are past. While there will be reactions no doubt, it is generally conceded that the gains lately aquired are of a more or less lasting character. The course which both Sterling and New York funds have followed during the past two years is outlined in the attached charts.

FIRST

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It is absolutely free from affiliation with other financial concerns—a trust company confining its activities to the duties of executor, trustee, financial agent and attorney, and eliminating from its transactions everything of a speculative character.

Business committed to the care of this corporation is managed by officers of wide experience in property management, supported by an efficient organization.

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We invite the business of responsible people, offering complete and convenient financial service in every conservative form.

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Toronto Ad. 6780

Philip T. Dodge, president of the International Paper Co., is a man of great energy and quick decision. Few know that, during the height of his strike, Mr. Dodge traveled 150 miles a day or more by automobile, going almost entirely without sleep in order to visit his mills regularly and maintain the morale of the defenders. His capacity for work is prodigious.

DECKS CLEARED IN THE BOOT AND SHOE INDUSTRY

Footwear Makers Have Passed Through Adjustment Period

NOW MARKING TIME

A Revival of Business is Being Awaited But it is Felt That Values Are Now on Stable Basis

By T. E. TURNER,
Assistant Editor, Footwear in Canada.

The Canadian footwear industry is today in an incomparably better position than it was one year ago. By that it is not meant to infer that the industry as a whole is enjoying anything in the nature of a boom. What has taken place is simply this: The absorption of surplus stocks has been practically completed, prices have reached a stable level, the "ineffectives" have been for the most part eliminated, and the industry stands unencumbered and ready to enter the commercial fray as soon as conditions in general will permit.

Let us get right back to the raw material market, which was the first to suffer in the decline, and the recuperation of which can probably be taken as a harbinger of the recuperation of the whole country. The hide market is in better shape than it has been for a long time. The year just closed has seen it hit the bottom and begin to climb again. Only one reaction seems to have taken place—calfskins made rather too rapid an advance during the summer and have suffered a reverse. Taken as a whole the tone is decidedly firm and there are, as the situation now stands, no prospects of decreases other than the slight variations which are brought about by seasonal changes in the quality of the hides.

Outlook for Tanners

This improved condition of the raw material market is bound to make itself felt in the tanning industry shortly. Tanners claim to be selling leather at the present time at less than replacement value. The reduction in leather prices during 1920 and 1921 has been unprecedented and big losses had to be absorbed on account of the large stocks of leather made from high priced hides that were on hand when the market began to fall. Now there are no apparent factors to offset the advance in raw materials. Some small reductions have been made in wages, but no other items of operating expenses have decreased to any appreciable extent. The keen competition which is holding down the prices of Canadian sole leather today is largely due to the export situation. Normally Canadian sole leather tanners export 35 to 40 per cent. of their output, but the export outlet, at the moment, is not enabling them to dispose of any large proportion of their production. The prospects in this connection, however, may be said to be improving, one encouraging factor being the reduction of ocean rates on sole leather. The progress of reconstruction in British industry also makes the prospects for the sale of the Canadian product in that market more encouraging.

The manufacturing branch of the industry has been showing marked activity in many sections. Staple shoe factories making brands of footwear that the retail trade know well, and place reliance in, have been exceptionally busy. (The term "staple" applies to that type of shoe in which style is not a prime factor—the utilitarian article, built for wear). This demand is partly attributable to a shortage of staple shoes in the northwest, which has been aggravated by the tendency of the retailers to buy from hand to mouth. This latter tendency has been one of the features of the business during the year just closed. In previous years it has been the practice to order the great bulk of each season's requirements in six months ahead, but the falling off in the consumption of shoes and the turn in the market during 1920 brought about a change which has profoundly affected the operation of the industry. Many retailers have been placing orders on a six weeks', rather than on six months', basis, with the result that the manufacturers have, in many instances, been hard pressed to supply the demand. Due to the failure of the retailers to place orders to any extent in the fall of 1920 for their requirements for the following spring—and indeed their requirements were not large owing to heavy stocks—last winter was one of inactivity for most of the shoe factories. Early spring showed a renaissance, however, with rush orders coming in to replenish depleted stocks, and the best-known factories in most lines have since been able to keep quite busy.

Wage Reductions Small

The reports regarding wage reductions might have caused casual readers to come to the conclusion that they were quite considerable. This is not the case, however. There are many factories in which no reductions whatever have been made, and the average can probably be placed no higher than 15 per cent. As a matter of fact there has been a shortage of certain grades of help which has made any cuts in wages for these classes of workers impossible.

As to prices, the manufacturers claim to have made reductions of from 30 to 45 per cent., which probably represents the situation fairly accurately, excepting in some special lines. The retailers, on their part, claim to have reduced their prices 25 to 35 per cent. The customer who goes out to secure exactly what he likes may think this claim a bit exaggerated, but the retailers have actually made greater concessions in their prices than the public in general appreciate, and keen buyers have been able to secure some exceptionally fine values in footwear. It is not quite reasonable, either, to expect that a drop in wholesale prices will the next day be reflected in retail prices.

Manufacturers state confidently that no further decreases in prices seem possible. The condition of the hide and leather markets would seem to bear them out in this assertion—but forecasts are dangerous and the role of prophet is a thankless one. It will depend on the trend of living costs in general.

The Retail Trade

As to conditions in the retail trade during 1921, it is not easy to estimate how the total turnover will compare with previous years. Probably it will come fairly close to a normal pre-war year in actual number of pairs sold. As far as the individual retailer's prosperity has been concerned, it has been largely a matter of locality and the class of trade to which he has catered. In towns where local industries have been active, or where the surrounding agricultural community has been in a prosperous condition, business has been good. In districts where the reverse has been the case, it has been pretty hard hoeing. Vigorous and consistent advertising has enabled some retailers to keep their pairage up to normal, even when catering to a working class trade, and some merchants catering to the "social set" have actually been able to show an increase in business every month as compared with last year.

What the future holds depends upon the unemployment situation, and general conditions. So far as stocks are concerned, retailers are, for the most part, in good shape and ready to meet the situation as they find it, thanks to the lessons of 1920.

FARMERS HAVE EXPERIENCED A DIFFICULT YEAR

(Continued from page 18)

hog will predominate in Canada. Fortunately too the industry is such that the serious conditions can be comparatively quickly remedied, so that there is every prospect of an eager and ample market for everything that the farmer and the packer can produce for many years to come.

Co-operative Selling

Another factor that is indicative of better things for the future is the development of the co-operative selling idea. In Ontario especially there has been a material development along this line. Though the evidence of the co-operative practice in both British Columbia and the Maritimes was unquestionably favorable, it was not until this season that the various interests in Ontario's great fruit belt were organized into any sort of unity of selling policy. The early success of this venture promises well for the future. Ontario too has followed the lead of the prairie provinces in developing a better marketing system for dairy products. The system that is inaugurated in Ontario it is true differs from that in the West by the larger element of co-operation involved, but it is aimed to the same end, the stabilizing of the quality of dairy products with the idea of fostering and cultivating the dairy export trade.

The year has seen probably a more aggressive export effort than ever before. The apple growers of British Columbia, who owing to the depressed conditions in the prairie provinces have found their natural market largely curtailed, have gone farther afield, and despite tariff walls have successfully invaded the United States markets, and have put their product in successful competition not only in quality but in actual quantity of sales with the American boxed apple packers, on such markets as New York and Boston. On the other hand the New Brunswick potato growers, who were not able to meet the new tariff rate imposed by the Fordney Bill in the United States, have looked still farther afield, and have developed a very substantial market in Cuba.

TAKING LOSSES A GOOD POLICY IN MANY LINES

Dry Goods and Men's Wear Merchants Profited by Foresight

STOCKS REDUCED

Shelves of Retailers Which Were Laden at Beginning of Year Are Now Largely Cleared Off

By E. DeWITT HUTT,
Editor Dry Goods Review and Men's Wear Review.

In the dry goods and men's wear fields, the year 1921 began with heavily laden shelves in retail stores and heavily burdened floors in warehouses. The year closes with the shelves well cleared off and the warehouse floors carrying new stocks in readiness for the spring and the summer trade. The events that have combined to bring about this condition of affairs have, in many cases, been distressing. They have tested the acumen of many business men, some of whom broke down under financial strain because they were ill-prepared and have fallen by the wayside. Others, who were wise enough to take their losses during the early period of the depression, have turned the tide in their own favor and are ending the year with paying larger bonuses to their sales' staff than ever before in their history. The aggressive, in both the wholesale and the retail fields, have come through a year of varying losses which will largely offset their profits, but they knew the era of high prices had come to an end, though they had hoped to meet it with smaller stocks that had been bought at peak or near-peak prices.

Beginning The Year

As has been said, the year began with heavy stocks in the hands of both wholesaler and retailer. A good deal of apprehension prevailed; the in-coming year was filled with uncertainties. The trade had passed through the harrowing experience of the Luxury Tax which had been cancelled just a few days prior to Christmas. Heavy cancellations of merchandise by the retailer had thrown back into the warehouses hundreds of thousands of dollars worth of goods on which it was becoming increasingly evident heavy losses must be taken on account of the indisposition of the public to buy. As the western farmer watches with anxious care every variation of the weather when his crops are about to be harvested, so the graduations of the trade were trying to determine the attitude of the consumer with regard to his buying policy. Evidence accumulated that the decline in prices had but begun; more serious losses would have to be taken.

Cleaning Up

The year opened with widely advertised sales from one end of the country to the other. Some of them were convincing; others were not. But the general impression still working in the consumer mind was that prices were due to come further down. That world commodity — wheat — was falling in price from one week to the next and with this decline the purse strings of the agricultural section of our population gradually tightened. And when that is the case in this country, business cannot help but feel, and keenly feel, the result.

The cleaning-up process has gone steadily on from month to month, relieved temporarily by intensely hot weather during the summer months which resulted in heavy sales of seasonable merchandise at prices which commanded a legitimate profit. In the large centres of population where competition was keenest, the clean-up was finished first. The power of advertising was strained to its uttermost, and with good results. There are not a few wholesale houses that say it was the big retail business throughout the country that helped them out with much lighter losses on their stocks than they would otherwise have had to take.

As hard as the year has been for some—not a few have gone under, though the number is much smaller than was anticipated—it can now be said that "All's well that ends well". Reports that come from all sections of the country are to the effect that stocks have been cleaned up and only the most unaggressive still cling to their old price and long profits. There have been many losses taken, some of them very grievous losses, indeed. The retail trade has absorbed losses which entitle it to much kinder consideration than it is in the habit of getting from people who don't know what they are talking about. We know of many retail firms that have taken losses between $100,000 and $200,000 without a murmur. Nor has the wholesale trade been one whit behind. A million dollars is not too high a figure to repre-

(Continued on page 28)

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THE MINES HAVE BEEN AFFECTED BY CONDITIONS

Production Reduced and Values Have Declined

GOLD IN ONTARIO

Being Mined at Rate of About $16,300,000 a Year—Power Shortage, However, Interfered With 1921 Results

By **REGINALD E. HORE,**
Editor, Canadian Mining Journal.

The mines of Canada have not produced during 1921 as large a quantity of minerals as in previous years. Moreover, the prices received for the products have been lower and consequently the total value of the output is much below that of last year. In the case of some metals the demand has been so poor that there has been necessarily curtailment in output. Nickel and copper mines have been seriously affected and the Sudbury nickel industry is at present but a shadow of its former self. Less serious has been the setback in the case of lead and zinc mines, which have made a fair showing. The production of coal has been below normal, but is still large. The gold mining industry made the best showing and we are now well started on a period of gold mining activity which the period of high prices had held in check.

The Gold Output

In Ontario the chief metals mined are gold, silver, nickel, copper, lead and iron. Gold is now being produced at the rate of about $16,300,000 per annum, but the total for the year will be much below that figure on account of a shortage of power during the early months of the year. The Hollinger alone has treated during the year about one million tons of ore and could treat much more during the coming year if power is available.

At Porcupine the producers are Hollinger, Dome and McIntyre, all big mines and all being profitably operated. Around these mines a busy community has sprung up and as the mines disburse several million dollars annually for labor and supplies the community is a prosperous one, in fact at present one of the best in the country.

At Kirkland Lake four mines contributed gold: Kirkland Lake, Lake Shore, Teck-Hughes and Wright-Hargreaves. The latter, which began production during the year, has paid its first dividend. Lake Shore has continued its profitable way and Teck-Hughes has at last rounded the corner. Active development is under way at other properties in the neighborhood and quite recently a new mine, the Ontario-Kirkland, has been put into operation.

Of the gold mining industry the recent report of the Ontario Bureau of Mines speaks very favorably. The province produced, in spite of the power shortage, gold valued at $13,870,000, which with the premium added brought $15,200,000. A considerably larger output is expected in the coming year.

Silver Production

Ontario's silver mines during 1921 have produced considerably less than in the previous year and the silver has been sold at a much lower price. The slump in the price made operations unprofitable at many mines and several have been closed down until conditions improve. Lower costs are expected during the coming year and higher prices for silver may be obtained. Under such circumstances reopening of some of the mines will doubtless come without delay. At the mines where operation has been possible during the year some very good results have been obtained. The production will be about 8,500,000 ounces silver valued at about $6,000,000.

The nickel-copper mining industry of the Sudbury district, which has been for many years the biggest mining industry in Ontario, has suffered severely from the depression this year. Two of the companies operating at Sudbury—International Nickel and British America Nickel — have discontinued production and are keeping at work only a skeleton of their ordinary force. The third operator, Mond Nickel, is continuing production, at a rate considerably below capacity. The great difficulty in marketing nickel and copper and the large accumulated stocks of metal on hand make it apparent that an early resumption of operations is unlikely. This is unfortunate, particularly for Sudbury and vicinity, where the nickel industry has been for years the basis of prosperity of a large community.

The iron and steel industry, while not so seriously affected by the nickel industry, has also experienced a shortage of orders that has severely taxed resources of the operating companies and kept down production. Only three furnaces are now being operated in Ontario, two at Sault Ste. Marie and one at Hamilton. The chief source of Ontario iron ore was the Magpie mine, which was closed down last March. About 80 per cent. of the iron ore smelted in Ontario during the year was imported.

The asbestos mining industry in Quebec has passed through a critical year fairly well. Production was much lower than in the previous years, but efforts to keep up the price to a reasonable figure met with some success. The chief market was in the United States and owing to lack of activity there the demand for asbestos was much below normal. The former European market being not available, there was necessarily curtailment of production. One company has undertaken to manufacture asbestos in Canada, but carrying out of its plans has been delayed by the market conditions.

In British Columbia

In British Columbia the mineral production during 1921 was lower than in 1920, but a fairly good demand for lead and zinc helped to keep up the quantities of these produced. The Consolidated Mining & Smelting Company made a large production from its great Sullivan mine at Kimberley and continued operations at Rossland and the Trail smelter. The Granby Company also carried on large operations at Anyox. These two companies made fairly large outputs and consequently British Columbia's production of lead, zinc and copper was well maintained in quantity, though there was a great decrease in the value of the products. Gold production was somewhat less in 1921 than in the previous year. In coal mining the western province did very well despite adverse conditions, though some of the mines were closed down and the total output was appreciably lower than in the previous year. Importation of fuel oil for locomotives and steam vessels reduced the demand for steam coals and investigations are being carried on to determine the possibility of substituting powdered coal for oil. The coal mining industry on Vancouver Island, which gives employment to between 4,000 and 5,000 persons, would be materially benefited by substitution of British Columbia coal for the imported oil and there is a feeling there that heavier import duty on fuel oil should be considered.

Coal Production

The great coal mining provinces, Alberta and Nova Scotia, have not made their usual production in 1921 and the mines are operating at far below capacity. On the whole, however, the coal mining companies have experienced a better year than most of the metal mining companies, with the exception of gold. Gold mining not only made good progress during the year, but has given every evidence of growing strength and is at present in a class by itself. The wonderful lead-zinc mine of the Consolidated Mining & Smelting Company, however, made an excellent showing during 1921 and its operation is responsible for an actual increase in production during the year. Copper mining operations have been carried on under very unfavorable conditions during the year, here as in the United States. It is interesting in this connection to note that there have been recently some signs of improvement in the copper industry.

The search for oil in Canada during 1921 has been carried on vigorously by some companies. The Mackenzie River district, which sprang into prominence after the success of the first well at Fort Norman last year, has been the scene of some activity, but no notable results have yet been obtained. The difficulties of exploring this far distant field dampened the enthusiasm which was evidenced in the early part of the year. The consensus of opinion now is that, while the possibilities are great, it will take considerable time to determine whether this is to be an important producing field. Some success has resulted from other explorations in the West and activity in such work is expected during the coming year.

The total mineral production of Canada during 1920 had an estimated value of $217,775,080. During 1921 there was a considerable falling off in quantities produced and a notable decrease in prices received for mine products. It is to be expected therefore that returns will show a very great decrease in value for 1921. Capacity to produce is, however, greater than ever.

WHEN THE CLOUDS ROLL BY

W. P. Riley, president of Western Grocers, Limited, has brought back to Winnipeg from the Pacific Coast a little story which indicates the brand of tempered optimism which is circulating out there. During the period of his stay it rained almost continuously. Finally he asked one of the boys if he thought it would ever quit.

"Well," he came back, "it always has."

And so we may expect this period of hard times to come to an end—they always have.

IN FOOD STUFFS READJUSTMENTS HAVE BEEN MANY

Losses Have Been Faced by Wholesalers and Retailers

CONFIDENCE RETURNS

Indications That Bottom of Market Has Been Passed With Regard to Some Essential Commodities

By **J. L. WYCKOFF,**
Editor, Canadian Grocer.

During the past year, both retail and wholesale grocers have been passing through a depressed period and although at the beginning of the year retailers stocks were fairly well reduced, heavy losses continued in all sources of the trade, from the manufacturer down to the retailer. This condition was maintained for practically the first six months of the year, before market conditions, with the exception of sugar and farm produce, started to show any signs of recovery. Prices too, owing to liquidation of stocks had reached bottom and in many instances to several points below replacement costs. The fact that merchants were only buying in sufficient quantities to meet immediate requirements, was another factor that hastened the readjustment period, and as the middle of the year saw primary markets commencing to show signs of strengthening, the trade started to have a little more confidence with a better movement in stocks as the new packs and crops became available.

This did not mean, however, that merchants started to buy as in other years when conditions were normal, but the tone was decidly for the better.

Teas and Coffees

Tea was one of the first commodities to recover. It will be remembered that this year started with a carryover of some 60,000,000 pounds of tea, which had the effect of reducing the markets to such a low point that it did not pay the producer for the cost of picking. It was therefore decided to curtail the production for this season in an effort to bring back prices to such a point that producers would have a fair return for their investment. This plan was carried out with the result that the tea markets steadily showed an upward movement and it is now estimated that the entire production of all teas is some 200,000,000 short. And even considering that Russia is still out of the markets for tea and the fact that previous to the war Russia purchased annually 150,000,000 pounds of tea, there still remains a considerable shortage. At the present time prices of teas are from twelve to twenty cents per pound higher than at the beginning of the year and there is every indication for the upward movement to continue for sometime, at least until the new crops are available on the market.

Coffees, owing to financial conditions in Brazil were a little slower to recover.. But this difficulty was overcome by an arrangement of loans, so that the year is closing with the coffee markets in a very strong position with higher prices and even stronger tendencies.

Canned Goods and Jams

Canners and manufacturers of jams adopted altogether a different policy this year in regard to the amount preserved. At the beginning of the season they announced that they would only pack sufficient to fill orders which they had booked for future requirements. Whether this policy was carried out to the letter is not definitely known as the accurate figures for the various packs are not available. The fact remains, however, that the packs were much smaller than other years and no doubt the hot weather causing a small crop of the earlier fruits and vegetables, had something to do with it.

In flour and cereals, the markets held fairly steady to firm until the new grain crops were marketed. Price reductions were then the feature of the market, with flour dropping several dollars a barrel. About the middle of November, however, there was a slight reaction with firmer tendencies in evidence. This firmness being more noticeable on millfeeds which at the moment are comparatively scarce.

The Sugar Market

The sugar market passed through several ups and downs during the first part of the year and at no time did there appear to be a settled situation. This was mainly brought about by the Cuban Finance Committee who were appointed to market the heavy crop of last year and to endeavor to set a price that would partly see the planters through a difficult financial period. The efforts of the Committee to maintain a stable price apparently had an opposite effect, as outside sugars were drawn into the market and sold at a lower price than Cubans. This naturally left a very large balance of Cuban sugar unsold when the new crop commenced arriving early in December. Although the Committee endeavored to hold prices for Cuban raws, they were forced to drop their prices in order to meet the competition of uncontrolled sugars and when the new crop was offered on the New York market, prices of the old crop Cuban sugar had declined to 2¼c & f with sales of the new crop made at 2 cents for January delivery and at which figure the market holds as we go to press. Canadian refined sugar although declining from the high point for the year of $11 to the recent price of $7.50 per cwt. is still considered out of line with the cost of raws and undoubtedly there will be further reductions early in the new year.

Meats and Provisions

From the beginning of the year until the end of November there was a steadily receding movement in the hog market. At the first of the year live hogs were selling at the Union Stock Yards, Toronto, at $16.74 on the fed and watered basis. By the end of November the price had dropped to $8.75 but throughout December the market showed a stronger tone with prices moving upward, which at the moment remains strong at $10.50 on the fed and watered basis. Bacon and hams showed a gradual decline in prices in keeping with live hogs and the same can be said with lard and other hog products.

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DEFLATION —and the Future

IT IS generally recognized that present business conditions in Canada as elsewhere—are not so buoyant as during the months immediately following the war. Yet the deflation inevitable after that abnormal period has proceeded on a sound and conservative basis. And while all the country's economic problems may not yet have been fully solved, there is substantial evidence that we are nearing the end of the critical period ushered in with March 1920.

It should be borne in mind that Canada's economic condition to-day is infinitely better than that of most other countries and as the tide turns, the industrial and commercial development in Canada will undoubtedly surpass any former achievement.

Through the war and the reconstruction period, the Imperial Bank played its part as a factor in the stabilizing of industrial and financial conditions throughout Canada, and in the future this institution will render the same dependable and constructive service as it has at all times during the past forty-seven years.

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ANALYSIS BY MONTHS OF CANADA'S BANKING POSITION

An analysis of the monthly figures submitted to Ottawa by the Canadian chartered banks, following a year of readjustment such as that which has been experienced, reveals many interesting and significant changes. Of these, outstanding, is the decline in current loans in Canada, being a direct reflection of the smaller financial requirements of trade and industry with lower commodity prices and curtailed demand. Current loans at the end of November totalled $1,210,000,000 and were nearly $148,000,000 lower than a year before. This is marked contrast to the increase of $168,500,000 in these credits, during the previous year and the latter figure did not represent the peak because there was a curtailment from the top during November and October of nearly $60,000,000. This latter figure may be added to the decline during the past year to roughly indicate the extent to which deflation has proceeded since the peak of the upward movement was reached.

The reduction of current loans by $148,000,000 compared with a reduction of $40,000,000 in savings deposits while in the previous year loans increased above savings by nearly $15,000,000. Demand deposits were reduced by $131,000,000, however. Savings deposits are about $40,000,000 more than current loans, whereas a year ago the balance was on the side of the latter.

Current loans outside Canada were reduced by $25,000,000 while foreign deposits declined by $66,500,000. However, the total of $285,000,000 of foreign deposits is still nearly double loans abroad which total $144,000,000. This comparison still serves to meet the argument that the expansion of Canadian banks in foreign fields has been at the expense of the Canadian borrower.

A reduction of nearly $293,000,000 in gross assets during the year is another indication of the extent to which readjustment has been carried by the banks. This was reflected in a reduction of over $52,000,000 in circulation among other changes. In addition to the reduction in current loans in Canada and in foreign fields, loans on public securities were reduced by over $84,000,000, call loans abroad by over $25,000,000, gold reserve by $45,000,0000, specie by $5,000,000, balances in foreign banks by about $15,000,000 and Canadian call loans by $4,000,000. Municipal loans increased over $400,000,000 during November so that the explanation of the increased by over $14,500,000 while premises were marked up $7,000,000 and unpaid debts were higher by $2,500,000. In connection with the increase in value of premises this could perhaps be regarded as unhealthy were it not for the large number of new branches opened during the year, while many branches which had been located in temporary quarters were housed in new structures.

The changes in the position of the banks and the dominion government is interesting. Loans on government securities were increased by nearly $94,000,000 but the liability of the banks to the dominion government increased only $2,800,000. This increase too was a development of November, previous months of the year having shown a constant reduction from $136,000,000 to $91,500,000. The holdings of government securities increased over $40,000,000 during November.

ASSETS

Immediately Available Liquid Resources

	—1920—		—1921—												
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.		Change in Year
Specie	$ 86,721,023	$ 82,687,559	$ 85,118,010	$ 81,648,153	$ 84,731,382	$ 82,328,089	$ 81,982,000	$ 79,742,852	$ 78,397,760	$ 77,751,567	$ 77,908,368	$ 77,932,332	$ 81,671,381	—	$ 5,049,642
Dom. Notes	190,640,878	177,489,289	186,589,527	185,009,848	165,977,483	158,857,442	155,906,316	172,990,176	167,659,674	169,468,495	173,658,961	166,958,268	198,821,730	+	8,180,852
Gold Res.	114,902,533	113,352,533	89,702,533	88,402,533	95,302,533	88,702,533	83,902,533	79,402,533	77,202,533	75,102,533	70,302,533	69,402,533	69,402,533	—	45,500,000
U.K. Banks	218,183,194	23,624,878	16,792,250	13,508,037	13,477,943	9,544,069	9,327,762	13,589,509	9,491,404	11,863,532	22,379,745	11,326,508	9,639,784	—	4,393,308
Foreign Banks	121,250,951	82,327,209	67,132,475	60,668,343	85,368,833	63,522,992	58,515,470	54,330,026	55,636,948	54,023,961	51,945,590	58,559,684	58,594,594	—	10,609,650
Government Secs.	69,204,244	120,489,681	122,258,205	123,734,576	124,668,184	135,998,994	173,716,284	175,404,713	180,520,010	179,222,262	180,214,316	174,937,649	215,120,975	+	93,870,024
Call Loans Abroad	14,033,092	211,442,652	191,854,003	190,413,527	168,598,046	154,173,055	157,935,965	165,860,689	160,890,729	157,757,835	183,290,756	172,013,135	193,001,119	—	25,182,075
	$ 814,935,915	$ 811,413,792	$ 759,447,003	$ 743,385,017	$ 738,124,404	$ 693,127,174	$ 721,286,330	$ 741,320,498	$ 729,799,058	$ 725,190,185	$ 759,700,269	$ 731,130,109	$ 826,252,116	+	$ 11,316,201
Loans and Securities Other Than Those of Canadian Government															
Public Sec.	$ 196,671,950	$ 191,172,317	$ 193,405,100	$ 190,634,617	$ 184,261,730	$ 179,892,193	$ 173,918,297	$ 167,305,993	$ 159,077,913	$ 147,830,368	$ 135,085,779	$ 125,622,767	$ 112,414,797	—	$ 84,257,153
Rly. Secs.	47,050,105	46,494,937	46,398,296	46,242,831	46,417,092	46,605,691	46,427,731	45,785,736	45,973,476	45,682,261	45,523,047	45,020,680	44,648,640	—	2,401,465
Can. Call	108,471,340	114,703,246	112,474,318	112,680,497	113,818,308	110,200,589	111,251,183	110,775,140	107,552,690	106,115,117	106,729,270	105,362,186	104,392,115	—	4,079,225
Current	1,357,973,118	1,301,804,302	1,264,490,463	1,266,235,381	1,280,982,873	1,281,145,097	1,271,619,731	1,256,642,883	1,237,093,871	1,226,467,704	1,239,637,351	1,243,748,818	1,210,101,634	—	147,871,484
Loans Abroad	169,677,657	184,540,423	173,379,729	163,044,476	164,093,930	159,707,351	159,087,151	155,846,239	155,238,085	150,763,865	151,489,861	156,518,933	144,340,080	—	25,337,577
Prov. Loans	10,571,815	12,540,917	12,657,149	12,930,968	13,929,599	16,158,294	13,870,033	15,044,839	11,441,527	13,847,231	13,588,304	12,718,014	9,577,073	—	994,742
Loans to Govt.	....	....	....	....	....	....	1,905,000	....	....	....	....	....	....		....
Municipal	65,487,171	55,973,926	59,637,682	67,719,881	73,229,646	79,043,238	83,745,196	84,657,919	83,154,559	84,093,460	83,851,274	81,839,306	80,094,483	+	14,607,312
	$1,955,903,156	$1,907,230,068	$1,862,442,737	$1,859,488,652	$1,876,733,178	$1,872,841,400	$1,861,824,322	$1,836,058,749	$1,799,532,121	$1,774,800,706	$1,775,904,886	$1,770,830,704	$1,705,568,822	—	$250,334,334
Other Assets															
Overdue Debts	$ 4,961,520	$ 6,636,172	$ 6,908,400	$ 6,628,689	$ 6,579,540	$ 5,908,753	$ 5,953,899	$ 6,276,091	$ 7,193,352	$ 6,792,723	$ 6,368,583	$ 7,225,426	$ 7,499,683	+	$ 2,538,163
Real Estate	4,282,681	4,333,027	4,150,502	4,339,681	4,390,972	4,343,266	4,293,732	4,313,023	4,358,472	4,362,947	4,327,442	4,314,106	4,510,611	+	227,930
Mortgages	2,693,896	2,663,821	2,802,659	2,808,816	3,008,573	3,004,686	3,050,731	3,059,444	3,006,317	3,032,421	3,247,337	3,263,712	3,273,120	+	579,224
Premises	60,467,669	60,376,915	62,340,796	63,406,980	63,834,165	64,400,435	64,864,981	65,179,760	65,939,192	67,027,677	67,508,091	68,153,284	67,566,899	+	7,099,230
Lets. of Credit	48,763,093	43,751,294	40,976,659	37,251,816	32,221,498	36,897,586	32,094,190	31,090,457	29,095,905	26,977,641	22,897,604	22,338,332	26,126,123	—	22,636,970
Other Assets	3,121,701	3,664,467	3,613,043	3,796,033	3,876,434	3,966,482	3,672,742	3,888,724	3,807,290	3,797,995	3,990,337	4,235,956	3,789,216	+	667,515
	$ 124,290,560	$ 121,415,696	$ 120,792,059	$ 118,232,015	$ 113,851,182	$ 118,521,208	$ 113,930,275	$ 113,807,499	$ 113,400,528	$ 111,991,404	$ 108,339,394	$ 109,530,816	$ 112,765,652	—	$ 11,524,908
Total	$2,895,129,631	$2,840,059,556	$2,742,681,799	$2,721,105,684	$2,728,708,764	$2,684,489,782	$2,697,040,927	$2,691,186,746	$2,642,731,707	$2,611,982,295	$2,643,944,549	$2,611,491,629	$2,644,586,590	—	$250,543,041
Note Cir.. Dep.	6,293,933	6,301,983	6,300,243	6,300,243	6,310,696	6,306,578	6,306,578	6,378,443	6,496,842	6,515,163	6,521,093	6,521,128	6,521,128	+	227,195
Int. Bk. Bal.	215,472,787	210,617,950	177,885,168	184,641,405	174,251,034	167,728,818	168,468,793	82,043,599	147,054,837	148,246,063	152,066,387	188,814,840	173,022,789	—	42,449,998
Gross	$3,116,896,351	$3,056,979,489	$2,926,867,210	$2,912,047,332	$2,909,270,494	$2,858,525,178	$2,871,816,298	$2,879,608,788	$2,796,283,386	$2,766,743,521	$2,802,532,029	$2,806,827,597	$2,824,130,507	—	$292,765,844
LIABILITIES TO THE PUBLIC															
Liability to Governments and Circulation															
Circulation	$ 234,339,923	$ 228,758,587	$ 206,175,821	$ 207,417,917	$ 206,094,668	$ 203,273,548	$ 193,053,999	$ 195,675,217	$ 193,339,095	$ 183,530,419	$ 186,797,922	$ 193,546,363	$ 181,953,001	—	$ 52,386,922
Dom. Govt.	136,192,726	118,984,574	97,470,729	105,121,289	114,272,486	105,336,247	131,460,929	118,368,329	96,147,744	96,389,650	96,689,442	91,416,236	138,996,968	+	2,804,242
Prov. Govt.	18,534,080	19,004,286	21,085,858	24,162,783	19,431,985	25,287,313	23,038,437	27,175,913	32,630,099	24,786,689	39,491,068	45,552,597	33,921,476	+	15,387,396
Deposits by Public															
Dom. Deposits	686,754,094	657,496,742	584,025,710	561,578,474	560,937,663	552,121,294	252,868,059	562,194,316	525,085,166	527,362,713	534,307,452	365,650,636	555,901,712	—	130,852,382
Savings Dep.	1,292,009,008	1,293,007,488	1,313,093,870	1,318,855,482	1,319,142,196	1,313,832,514	1,315,282,372	1,308,778,473	1,295,226,768	1,279,830,731	1,263,763,852	1,251,323,839	1,252,227,394	—	39,781,614
Total	$1,978,763,102	$1,950,504,230	$1,897,119,580	$1,880,433,956	$1,880,079,859	$1,805,953,898	$1,868,150,431	$1,870,972,789	$1,820,311,934	$1,807,193,444	$1,798,071,304	$1,816,974,472	$1,808,129,106	—	$170,633,996
Foreign	351,780,924	356,771,009	318,622,947	305,778,387	300,181,609	267,600,093	269,074,397	282,158,770	274,231,912	268,088,677	295,574,501	284,254,850	285,217,706	—	66,563,218
Due to Banks Abroad, etc.															
U. Kingdom	$ 5,475,760	$ 3,900,624	$ 3,478,328	$ 6,229,643	$ 8,065,410	$ 9,065,842	$ 8,006,705	$ 8,539,242	$ 7,901,073	$ 9,225,841	$ 11,079,242	$ 8,327,205	$ 8,835,216	+	$ 3,359,456
Foreign	35,220,324	29,218,339	31,363,045	30,771,020	34,984,017	32,793,781	30,950,018	33,138,677	31,128,509	36,867,586	36,364,771	30,720,995	31,070,129	—	4,150,195
Bills Payable	9,796,509	10,414,778	9,658,031	12,247,825	11,597,878	12,952,903	13,691,565	11,719,661	11,333,499	10,224,409	10,175,711	11,192,107	12,409,746	+	2,613,237
Acceptances	48,763,093	43,751,294	40,976,659	37,251,816	32,221,442	36,807,586	32,094,190	31,090,457	29,095,905	26,977,641	22,897,604	22,338,332	26,126,123	—	22,636,970
Other Liab.	4,705,644	3,430,744	3,165,552	4,078,158	2,985,767	3,234,361	3,870,526	3,033,719	2,815,705	3,884,342	2,865,906	3,213,505	4,189,694	—	515,950
Public Liab.	$2,823,572,085	$2,764,738,465	$2,629,116,550	$2,613,492,794	$2,609,477,121	$2,562,395,382	$2,573,391,197	$2,581,872,783	$2,498,935,475	$2,467,168,688	$2,500,007,471	$2,507,536,675	$2,530,849,165	—	$292,722,920
Due Bet. Bks.	12,006,703	13,570,082	13,263,885	13,523,653	13,073,490	11,750,851	11,563,785	12,675,118	10,300,260	10,078,772	12,577,629	11,561,996	10,487,113	—	1,519,590
Gross	$2,835,578,788	$2,778,308,547	$2,642,380,435	$2,627,016,447	$2,622,550,611	$2,574,146,233	$2,584,954,982	$2,594,547,901	$2,509,235,735	$2,477,247,460	$2,512,585,100	$2,519,098,671	$2,541,336,278	—	$294,242,510

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PROSPECTS POINT TO LARGE SCALE BUILDING OPERATIONS THROUGHOUT CANADA IN 1922

Adjustment of Factors That Have Proved a Handicap During Past Year Has Proceeded Far

THE SITUATION REVIEWED

General Depression Has Extended to Building Trades in 1921—Returns for the Year Therefore Not Up to Standard—Many Programs Have Been Shelved to Await Return of Better Conditions

The Canadian building situation for 1921 in retrospect presents few features that could be styled as encouraging. The year just closed has been distinguished by the growth of an acute form of depression and the building industry was naturally among those affected. As a result the totals for the year will fall far behind the returns of record years, although they stand up well when compared with 1920, the first year after the war in which building made any headway. Two or three conditions have contributed to reduce the volume of building for 1921. The general business depression in itself relieved many prospective builders of the necessity of undertaking new construction. Many factories were closed or operating on part time only, and there was no pressure upon factory space. In fact, on the whole there was plant and warehouse accommodation, as a result of the expansion of war years far beyond present needs, and industrial building thereby made up but an insignificant portion of the total. Then again the costs of building were unduly high. Material prices slowly receded during the year from the peak levels of 1920, but the reduction did not go far enough to offset the handicaps in other directions. Labor has been the chief offender, and has been instrumental in maintaining building costs far above a level justified by the deflation in other lines of trade.

An Unusual Situation

A careful analysis of building returns shows an unusual situation, the fact that the totals have been built up by a large number of small returns. There is a dearth of industrial buildings, which, because of their higher costs, are usually effective in building up the total. The past year, despite the reports to the contrary, established a record in house building for Canada, some 16,283 residences having been constructed during the year. One of the crying needs of the industrial centres has been additional housing accommodation. The houses built last year will help but will not finally relieve the situation. Another factor has entered in, which has brought seeming temporary relief, the inability of a great mass of the people through lowered earning capacity to pay the high scale rents now in vogue. This situation has precipitated a tendency toward doubling up—with the result there is now no pressing shortage. The situation is not a desirable one, however, but is one of the phases of adjustment, and a large scale house building campaign is necessary to ensure proper housing conditions in this country.

The building outlook affords the basis for optimism for the coming year, and points to the likelihood of building operations on a very large scale. Conditions affecting the building trades are rapidly improving. Material costs are steadily declining, and promise to move to still lower levels before the season opens in the spring. Considerable progress has been made in the adjustment of labor costs, and with many wage contracts expiring at the end of the year, opportunity is afforded of renewing these upon a substantially lower basis. Not only are wages declining, but labor is proving more and more efficient. It is probable that construction will be largely confined to residences and office buildings. There is an over-supply of factory and warehouse space. Office space is at a premium in the larger cities, and many building programs are being revived.

Figures of construction contracts awarded during the year, which also include public works as well, prepared by MacLean Building Reports, Limited, show a total for the year of $240,133,300, compared with $255,605,500 for 1920; $190,028,300 for 1919, and $99,842,100 for 1918. Of last year's total, contracts for residential construction amount to $76,655,400; business, $84,721,700; industrial, $16,503,700, and engineering, $62,252,500.

The following is an outline of conditions in the various provinces of the Dominion:

British Columbia

Building trades in British Columbia were comparatively inactive last year, but when one speaks in a comparative sense about British Columbia allowance must be made for the high levels caused by the boom conditions preceding the war, when thousands of new residents were flowing in seeking permanent homes.

The lumber business, however, has definitely turned the corner after experiencing during the early part of 1921 probably the worst depression in its history. The result of the slack times was that most of the mills were shut down for a considerable portion of the year and production was severely curtailed. Labor costs have been brought down to a commonsense level again, and with the long dormant eastern demand showing signs of improvement British Columbia sawmills expect to do big business in 1922. During the summer months the industry was kept alive almost solely by the unprecedented demand from the Oriental markets.

One of the province's leading contractors and builders told THE FINANCIAL POST that while his firm had been busy during 1921 with small dwellings, practically nothing in the way of office buildings had been done. Economy in construction seems to be the guiding principle on the coast just now, and some builders question whether it is not being carried just a little too far. For the sake of saving a few thousand dollars, for instance, municipalities are building mere "shells" for school houses and moderately well-to-do citizens are putting off building altogether or are content with the cheapest sort of construction that can be got. There is still a genuine housing shortage, but better class houses can be bought at ridiculously low prices in some centres. Contractors attribute the situation to an attitude of mind brought about by the prevailing uncertainty in business. The year 1922 is expected to develop a much better feeling.

British Columbia is self-contained in building materials. Lumber, bricks, cement, sand and gravel, plaster and other requirements are all produced close to the larger cities. Bricks have been quoted all year at $20 a thousand in Victoria and $25 delivered to wharves in Vancouver, most of the plants being on Vancouver Island. This shows a drop of two dollars since 1920. Present prices will probably rule for some time. The cement industry, denied important openings in South America by German competition, is quoting low prices and looks for better business in 1922. Labor conditions in the building trades are better now than they have been in years. Six dollars a day is the ruling wage for carpenters, and good men can be secured for less.

The biggest construction projects now in progress in British Columbia are: Vancouver subsidized drydock, $3,500,000; Vancouver piers, $4,500,000; Esquimalt government drydock, $4,200,00; Johnston Street bridge at Victoria (municipal), $750,000.

Saskatchewan

Despite the shortage of houses in most of the larger cities and towns of the province, those engaged in the building trades, report the quietest season for ten years.

Practically no works of any importance are either in progress or under contemplation, the character of the building activity during the past twelve months being almost exclusively confined to residential and improvement work of a very modest and strictly essential type.

Prohibitive cost of materials, contributed to by high freight rates, coupled with the general business depression, are cited by builders to be the principal causes underlying the inactivity of the trade. The public display a disposition to postpone even necessary building operations, their object being—according to the trade, —to secure the benefit of lower prices which they feel certain will soon obtain.

Necessity for importation of lumber, the basis of all building operations, a factor which has always been more or less felt in the development of centres on the prairies, was never more seriously regarded as a handicap than at the present time. The freight rate on lumber from British Columbia in carlots, is slightly over sixty cents the hundred pounds. Added to this cost is the expense of distribution from provincial centres, so that even with the lower British Columbia prices, lumber costs are almost prohibitive.

Wages for labor though high are not out of proportion with the scale paid in other provinces of the middle west. Carpenters, masons, bricklayers, plasterers and other skilled men, draw from 80 cents to $1.10 per hour. These rates it is felt, may be modified when the new agreements are brought down in 1922.

The following prices obtain for building material in most of the larger centres: sand, (yard) $3 to $3.25; gravel, (yard) $3; cement, (barrel) $5.50; brick, (thousand) $35; plaster, (ton) $30.00. In the prices given, owing to the inactivity of the industry, some dealers have recently announced a 10 per cent. rebate when cash payments are made.

Boards of trade throughout the province have recently displayed interest in the housing situation and these bodies may take action early in 1922 along lines calculated to assist the trade. A revival of building, they claim, would mean a revival of activity in practically all other lines of business, and would prove a desirable influence in providing work for those out of employment.

Alberta

Building operations in Alberta were hampered considerably by high costs. The permits issued by the city inspection department of Edmonton, totalled $1,559,696, as compared with $3,279,155 for the preceding year. While the total value was thus less than one-half of that in 1920, the permits numbered one-third more, the explanation being that there was a marked gain in house building, with comparatively little in the way of business blocks.

The feature of the year was the erection of 235 dwelling houses. These were mostly of the small bungalow type, and their aggregate value amouted to about $800,000. A general shortage of housing accommodation has in this way been appreciably eased, and it is expected that a further impetus in house building will continue next season.

Several warehouses and business blocks that have been in prospect for the past year or two were held over till another year and will, it is expected, be on the 1922 programme. In most cases the costs of building materials and labor have been responsible for the postponement of these large schemes, only those business buildings that were absolutely necessary having been undertaken during the past year.

There has been, however, a sufficient drop in building costs to make an increased amount of small house building practicable, some lines of supplies having dropped from twenty-five to thirty per cent. An interesting experiment was carried out during the summer in Calgary, in which a group of business men, including Hon. Alex. Ross, Minister of Public Works in the provincial government, undertook to put up a five-roomed bungalow as a test case to ascertain the actual cost of a typical all-modern dwelling of that description. It was found that with prices of material and labor at the figures prevailing during the past year such a house could be erected in Alberta for $2,600. The demonstration has served the purpose of awakening considerable interest in small building schemes among prospective householders.

Manitoba

When the general deflation in business is considered it will be more fully appreciated that Canada's third city, Winnipeg, made measurable progress during 1921. Building permits for eleven months of the year reached a total of $5,481,000 compared with $8,276,000 for eleven months of 1920. "All things considered Winnipeg has been more fortunate during 1921 than most cities on this continent," to quote J. N. Davidson of the Board of Trade. "Generally accepted trade barometers indicate that while nothing spectacular has been accomplished during the year there has nevertheless been sound and steady progress throughout the whole of 1921. Winnipeg has been recognized by leading statistical organizations as one of the two brightest spots on America's business map, the other spot being Los Angeles, Cal."

Marketing of the tremendous grain crop of Western Canada, resumption of building on a large scale, development of additional hydro-electric power and steadily increasing industrial expansion are all factors in the progress of the past year. Winnipeg's $5,481,000 building permits provided for 3,147 buildings, whereas $8,276,000 building permits of 1920 provided for 2,445 buildings, a decrease of over 700 buildings.

Should the elaborately proposed Mall, approach to Manitoba's Parliament building, be decided upon during the coming winter there are indications that Winnipeg's 1922 building program will be the largest of many years. In addition to the $6,000,000 store the Hudson's Bay Company propose erecting on Portage Avenue when the Mall is definitely decided upon, at least two skyscraper office buildings are in prospect in the same vicinity. During 1921 over 80 new industries located in Winnipeg in ad-

(Continued on page 29)

PACIFIC OCEAN
BRITISH COLUMBIA
VICTORIA
ALBERTA
EDMONTON
SASKATCHEWAN
REGINA
MANITOBA
WINNIPEG
ONTARIO
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QUEBEC
QUEBEC
PRINCE EDWARD ISLAND
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NOVA SCOTIA
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IN every Province in Canada we have bought, underwritten and sold Government, Municipal or Railway Bonds guaranteed by the Government. During three decades Aemilius Jarvis & Co., Limited, year by year has grown in public confidence and in clientele.

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This nation-wide business connection has been established by rigid adherence to an inflexible rule of "safety first" in all investments recommended to clients. No bond issue is ever accepted or recommended until a thorough and expert examination of the assets, debts and sinking funds, revenues, assessment values, borrowing powers, legality of authority, validity of agreements and all other facts pertinent to the security of the principal, has been made. When we recommend an investment you can be absolutely assured that it is a safe security to buy.

1922 Investment Situation

Not so simple or easy as it has been in 1921, when highest grade bonds could be bought to yield 6 per cent. or better.

Today money is easier, interest rates are declining, and more money is seeking investment. Under these conditions high-grade securities invariably advance in price and yields are reduced.

Indications are that this condition will continue. If times become good, industries active and business normal, interest rates are bound to decline and high-class securities to advance.

We believe this will be the outstanding feature of the situation in 1922. We believe good times are here, that business will revive, that industries will take on new life in 1922, and that we will see advances in prices of all good securities.

Our advice, therefore, is to buy now.

In our list we have a large variety of guaranteed railway bonds and Provincial and municipal bonds of varying maturities and at yields that are very attractive. We recommend the issues in the list below. Full particulars of any security will be furnished on mail, telegraph or telephone inquiry:

RAILWAY AND DRY DOCK BONDS

Security	Rate	Maturity	
C.N.O.R. Debenture Stock, Dominion Guarantee	3½	19 May,	1961
C.N.R. Debenture Stock, Dominion Guarantee	4	1 Sept.,	1934
St. John's Dry Dock, Dominion of Canada Subsidy	5½	5 Jan.,	1922-56

PROVINCIAL BONDS

Security	Rate	Maturity	
Province of Alberta	6	1 Nov.,	1936
Province of Alberta	6	1 Oct.,	1941
Province of British Columbia	6	1 Oct.,	1946
Province of Ontario	6	15 Sept.,	1943
Province of Ontario	6	2 May,	1936
Province of Saskatchewan	6	1 Oct.,	1940
Province of Saskatchewan	6	1 Feb.,	1936
Province of Ontario Guaranteeing Windsor Housing Commission	6	1 Sept.,	1922-34

MUNICIPAL BONDS

Security	Rate	Maturity	
City of Hamilton	6	1 Sept.,	1925-31 1932-41
City of Hamilton	6	1 Oct.,	1925-31 1932-41
City of Hamilton	5	1 May,	1925-31 1932-41
City of Toronto	5½	1 July,	1925-42
City of Toronto	6	1 Oct.,	1925-30
City of Calgary (£100 Bonds)	4½	1 Jan.,	1942
City of Edmonton Schools	4½	21 Mar.,	1940
City of Windsor	6	1 June,	1938
City of Medicine Hat	5	Mar.,	1934
R.M. Fort Garry School District	7	1 Feb.,	1922-27
City of Lethbridge	4½	2 Jan.,	1943
Town of Wallaceburg	6½	15 Nov.,	1922-36
Town of Preston	6	1 Jan.,	1922-51
County of Norfolk	6	15 Dec.,	1922-29

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A BROAD DEMAND FOR FUNDS FOR FARM MORTGAGE PURPOSES REVIVES IN WESTERN CANADA

Movement of Money is Mainly Outward—British Investor Calling His Funds Home to Profit By Exchange

THE COURSE OF MORTGAGE RATES

Now Prevailing at the Topmost Level—Opinions Differ as to Prospects for Money—Easing Up in Situation in Scotland—Time Not Yet Opportune for Sale of Debentures

By A. W. BLUE,
Associate Editor, The Financial Post.

THE DEMAND for money for mortgage purposes is increasing, especially in the West, in fact it has never been keener in Western Canada. Just where the money is to come from to supply this demand, is a question that is agitating borrowers and lenders. A peculiar situation prevails. British money, ever an important factor in the development of this country, is not seeking investment here at this time. The flow is out of rather than in to Canada. The British investor is not re-investing his funds in Canada when the debentures he holds mature, because he finds it more profitable to remove to Great Britain, thereby obtaining the additional premium on Canadian funds and investing at home. He can there obtain 6 per cent. against 5, and 5½ and possibly 5¾ in Canadian debentures. The exchange situation and the high interest rates in Britain have created this situation.

Not unfortunately is there any prospect of a reversal of the flow of money in the near future. The exchange markets have decidedly bettered their positions toward the close of the year, but the discount on the pound sterling is still at a level which makes it unprofitable to transfer British currency to this country. And interest rates are still at a high level, about 6 per cent. and adjustment to lower bases will be a slow process. There is plenty of British capital for investment in Canada as soon as conditions are righted. The British investor entertains a high regard for the possibilities in Canada. This is a young country, and has all the recuperative powers of youth, and recovery from the present depression arising out of the process of adjustment from the war and post-war conditions of inflation will proceed more quickly than in the older countries. Interest rates have consistently prevailed at high levels, but there is some evidence to indicate that the next move will be downward. In fact a Canadian loaning company, which frequently borrowed money in Scotland to be used in connection with the British end of its business, refused to borrow any more funds at 6 per cent. Funds thereupon became immediately obtainable at 5½ per cent.

Rates are Still High

In Canada mortgage rates are still high. The average rate for money loaned on improved city or farm property in Ontario is about 7½ per cent. while in the west the rate runs from 8 to 8½ and in some cases as high as 9 per cent. Rates were revised upward during 1921, and so far there has been no evidence of a movement in the reverse direction. Predictions as to the probable course of money rates vary, some prophets holding to the view that with a growing demand for funds the rate will continue to prevail at the top level. Others point out that mortgage rates must conform in some measure with the course of interest rates, and as interest rates are going down, the natural course for mortgage rates likewise is in a downward direction. The situation in Scotland is referred to, as adding strength to this conclusion, that with the prospect of lower rates there should be a similar tendency in Canada. So far there has been no such movement, however, and one firm at least has recently advanced its rate to 5¾ per cent. to the investor on funds used in the purchase of its guaranteed investment receipts. This rate compares with 5½ per cent. a few weeks ago, and 5 per cent. one year ago. The funds obtained in this manner will be used largely in the purchase of first mortgages on improved real estate.

The general situation has not been favorable to the sale of debentures in Canada, and many of the companies have been forced to rely upon money already in their possession or upon deposits. With government securities paying better than 5¾ per cent. loan companies could not hope to sell their debentures except at a rate which would be prohibitive. Their problem has been largely one of keeping the funds already in their possession within the institution and this situation has not been of a nature to contribute to the rapid growth.

In the west there is an extensive demand for money for refunding purposes. Rates vary from 8 to 9 per cent., and conservative companies can get good business at the lower rate. Many farmers who are counted as first class borrowers are raising money at the lower rate to pay off their mortgages carrying the higher, and are thereby saving from ½ to 1 per cent. Loans for this purpose are forming a relatively large bulk of the business in the west at the present time.

The Housing Situation

Loan companies continue to follow an extremely conservative policy in connection with their loans upon city real estate and houses. A first mortgage loan will not usually amount to more than thirty per cent. of the present market value of the property. Loan company valuators and adjustors are looking three, four and five years ahead, and see the influence of lower building costs, and keener competition among workingmen upon the values of properties. Houses erected now, or that have been built within the past year or so, at unprecedented cost levels, will have to compete in a year or so with houses erected at a substantially lower cost, and cannot command any better price. There is no doubt but that real estate prices which have prevailed cannot continue, and there is already evidence that the process of deflation is beginning to work out. A few months ago a great deal was heard of the housing scarcity in all the cities of the country. Today there has been an extensive improvement of the situation—at least more houses and apartments are available, though house building has slackened off in the later months. There has been a movement in the cities toward doubling up—tenants unable to meet the high rents, through lowered earnings have been forced to move into smaller quarters in order to secure relief. This is but another phase of the adjustment era, and it is a forerunner of lower rents and a broad home-building campaign—on a cost basis, within the reach of the moderate wage earner.

Just when there will be a downward revision of mortgage rates—if there is to be such a movement during the course of the year—cannot of course be determined, but the prediction has been made that the spring will witness an easing up of the situation.

How Canadian Industries Have Grown in Past Decade

Automobiles Stand First for Remarkable Expansion With Pulp and Paper Second—Flour Milling Has Grown Rapidly Although One of the Oldest Industries

During the year 1921 the returns of the census statistics of Canadian industries were made public gradually, and it is possible now to deal with most of the important ones in a comparative analysis covering the past three decades. Some of the latest figures run into the year 1921, but in the main the statistics deal with conditions for the year 1920, as distinct from the year 1910, and before that the year 1900. From a study of these figures some idea may be secured of the impressive growth of Canada in industrial activity in the last decade.

Perhaps no other industry shows the relative growth of the automobile industry. The census returns for 1900 did not recognize this as a separate industry. In 1910 the production was a little over $6,000,000, but ten years later this had risen to over $101,000,000, and since then the industry has continued to develop. Capital invested in the past ten years rose from under five to over fifty-six million dollars.

The pulp and paper industry stands second for remarkable growth, although in actual volume far exceeding that of the automobile industry. From an investment of $19,000,000 twenty years ago it has reached over $264,000,000, while the production of pulp and paper ran well up to $200,000,000 for the past fiscal year, as compared with less than $9,000,000 twenty years ago.

Flour milling stands as one of the most rapid in growth, although one of the oldest of our industries. The production rose from thirty-one to over two hundred and sixty-two millions in the twenty years, while the capital investment increased from $14,000,000 to over $76,000,000.

Below are given comparative figures for a score or more of industries.

AGRICULTURAL IMPLEMENTS

	1900.	1910.	1920.
Number	114	77	86
Capital	$18,207,342	$45,232,098	$83,276,450
Payroll	3,057,930	5,551,647	11,858,013
Materials	4,128,526	10,477,140	16,520,146
Production	9,597,889	20,722,722	36,703,943

AUTOMOBILES

	1900.	1910.	1920.
Number	....	8	1289
Capital	....	$ 4,699,256	$56,943,018
Payroll	....	903,349	15,389,742
Materials	....	3,808,139	51,690,715
Production	....	6,251,885	101,196,706

BOOTS AND SHOES

	1900.	1910.	1920.
Number	179	180	161
Capital	$11,005,869	$23,630,649	$38,680,581
Payroll	4,645,007	7,698,333	13,250,744
Materials	10,993,979	18,507,535	40,523,696
Production	18,481,216	33,987,248	63,319,128

BREAD, BISCUITS AND CONFECTIONERY

	1900.	1910.	1920.
Number	258	323	2,015
Capital	$ 6,996,204	$16,756,289	$11,995,144
Payroll	2,522,089	4,660,221	18,766,811
Materials	6,788,206	13,185,126	61,989,255
Production	11,637,808	25,566,691	104,868,699

CLOTHING

	1900.	1910.	1920.
Number	1,153	886	1,668
Capital	$12,807,552	$26,275,420	$38,629,146
Payroll	8,124,100	16,286,615	17,400,404
Materials	11,608,142	27,471,110	36,868,032
Production	24,314,937	54,772,270	70,497,766

COTTON TEXTILES.

	1900.	1910.	1920.
Number	20	26	27
Capital	$18,298,699	$33,091,344	$58,732,941
Payroll	3,547,784	4,828,527	10,981,091
Materials	5,827,265	13,979,741	43,816,517
Production	12,033,052	24,584,931	82,642,949

DRUGS AND CHEMICALS.

	1900.	1910.	1920.
Number	19	40	38
Capital	$ 1,606,608	$ 5,870,991	$26,029,530
Payroll	297,955	696,899	5,873,627
Materials	686,339	1,286,248	16,286,788
Production	1,380,905	3,632,794	38,252,587

ELECTRICAL APPARATUS

	1900.	1910.	1920.
Number	25	47	95
Capital	$ 5,267,397	$17,293,354	$45,956,399
Payroll	950,551	3,497,089	9,685,705
Materials	1,131,004	6,281,628	15,257,617
Production	3,032,252	15,021,841	34,187,658

FLOUR MILLING.

	1900.	1910.	1920.
Number	400	1,141	1,255
Capital	$14,686,558	$42,905,689	$76,411,423
Payroll	11,985,991	3,756,225	8,083,270
Materials	26,350,706	57,227,520	228,827,851
Production	31,835,873	82,494,826	262,763,392

FOUNDRY, MACHINE SHOP PRODUCTS

	1900.	1910.	1920.
Number	315	514	667
Capital	$16,274,645	$53,068,046	$84,122,446
Payroll	5,584,767	18,302,465	27,788,059
Materials	5,293,248	18,302,465	27,788,059
Production	15,292,445	45,611,416	82,493,897

FURNITURE AND UPHOLSTERING

	1900.	1910.	1920.
Number	161	172	270
Capital	$ 7,399,540	13,746,262	24,400,009
Payroll	2,547,827	4,044,236	7,873,158
Materials	2,668,937	4,350,985	9,666,073
Production	6,949,384	12,369,366	25,166,305

HATS, CAPS AND FURS.

	1900.	1910.	1920.
Number	115	139	208
Capital	$ 4,136,236	10,653,627	14,553,814
Payroll	1,392,302	2,244,170	4,145,462
Materials	3,328,984	6,329,698	12,027,858
Production	5,876,467	11,155,108	20,790,334

HOSIERY AND KNIT GOODS

	1900.	1910.	1920.
Number	52	68	114
Capital	$ 3,723,197	$11,938,029	$34,149,593
Payroll	1,059,912	2,814,667	8,460,739
Materials	1,979,951	6,904,217	26,548,736
Production	3,857,519	13,393,854	45,052,002

LEATHER

	1900.	1910.	1920.
Number	3	30	139
Capital	$ 15,540	$ 2,046,784	$28,435,806
Payroll	21,075	482,822	571,359
Materials	43,000	1,548,290	23,681,659
Production	72,600	2,402,304	33,263,675

PAINTS AND VARNISHES

	1900.	1910.	1920.
Number	18	26	45
Capital	$ 2,217,059	$ 6,277,915	$15,784,610
Payroll	332,52'	791,746	1,870,345
Materials	1,817,921	4,949,582	9,203,530
Production	2,786,593	8,041,154	17,678,049

PULP AND PAPER

	1900.	1910.	1920.
Number	53	72	99
Capital	$19,066,379	$53,886,933	264,581,300
Payroll	2,370,845	5,058,007	2,688,409
Materials	3,634,857	10,874,187	16,213,741
Production	8,627,647	23,226,479	91,362,913

SHIPS AND BOATS

	1900.	1910.	1920.
Number	39	43	177
Capital	$ 3,156,369	$ 9,033,448	$72,114,691
Payroll	835,517	2,101,450	30,757,289
Materials	699,634	1,656,130	36,556,951
Production	1,899,836'	5,136,257	88,454,138

SMELTING.

	1900.	1910.	1920.
Number	12	18	17
Capital	$10,483,112	$37,351,942	$56,135,981
Payroll	1,331,553	4,776,609	8,643,567
Materials	1,685,018	17,925,274	36,103,696
Production	7,082,384	33,669,700	62,482,256

SUGAR

	1900.	1910.	1920.
Number	4	8	8
Capital	$10,104,585	$19,720,333	$37,256,851
Payroll	747,284	1,320,563	2,626,889
Materials	10,546,500	17,280,854	45,403,037
Production	12,595,000	21,260,011	58,812,219

TOBACCO.

	1900.	1910.	1920.
Number	163	173	153
Capital	$ 7,247,540	$21,695,935	$32,948,356
Payroll	2,604,736	4,257,027	7,535,078
Materials	3,724,745	12,130,806	19,039,791
Production	11,802,112	25,392,323	55,411,487

WOOLLEN TEXTILES.

	1900.	1910.	1920.
Number	157	87	76
Capital	$10,486,198	$ 7,657,761	$21,311,633
Payroll	2,066,320	1,622,695	4,511,325
Materials	3,799,302	3,154,013	15,180,368
Production	7,259,541	5,738,773	27,516,270

WOOLLEN YARNS

	1900	1910	1920
Number	6	13	9
Capital	57,409	740,044	4,551,236
Pay Roll	18,377	740,044	627,927
Materials	58,095	536,623	3,814,474
Production	86,850	791,750	6,575.710

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ONTARIO

the banner province whose bonds stand with "Victories" as Canada's Premier Investment

A Few Significant Facts

The ANNUAL PRODUCT of Ontario's farms, mines, forests, industries, etc., (which under the tax power of the province secures all Ontario Government Bonds), would pay off the entire direct bonded debt of the Province 22 times, and do it each year.

	Ontario.	All Canada.
Value of Farm Products	$ 373,000,000	$1,452,000,000
Value of Mineral Output	57,000,000	173,000,000
Value of Timber Output	50,000,000	172,500,000
Value of Manufactures	1,533,000,000	3,015,000,000
	$2,013,000,000	$4,812,500,000

Rural Area Assessed	25,000,000 acres
Annual Production	1.535,000,000
Uncultivated Farm Land	20,000,000 acres
Assessed Value	$2,054,000,000
Areas Cleared	15,000,000 acres
Under cultivation	14,000,000 acres
Steam Railway Mileage	11,057 miles
Electric Railways	767 miles

Ontario has 23 cities, 139 towns, 150 villages, and 558 townships.
One half of the cheese produced in Canada is made in Ontario.
Ontario furnishes 45 per cent. of the mineral production of Canada.
The most valuable nickel mines in the world are in Ontario.
Ontario's 1921 gold production was $13,870,000, or with the premium added $15,000,000, a production exceeding California's.

ESTIMATED ASSETS—RESOURCES

Pine Timber	$132,000,000.00
Pulpwood Timber, Ties, Poles, Hardwood, etc.	225,000,000.00
Mining Lands and Profits	100,000,000.00
Agricultural Lands	15,000,000.00
Water Powers	20,000,000.00
Sand, Gravel, etc.	1,000,000.00
District of Patricia, area of 146,000 miles, Timber, Fisheries, Furs and Mining Possibilities	10,000,000.00
	$ 503,000,000.00
Taxable property in Ontario actually assessed by Municipalities, over	$2,000,000,000.00

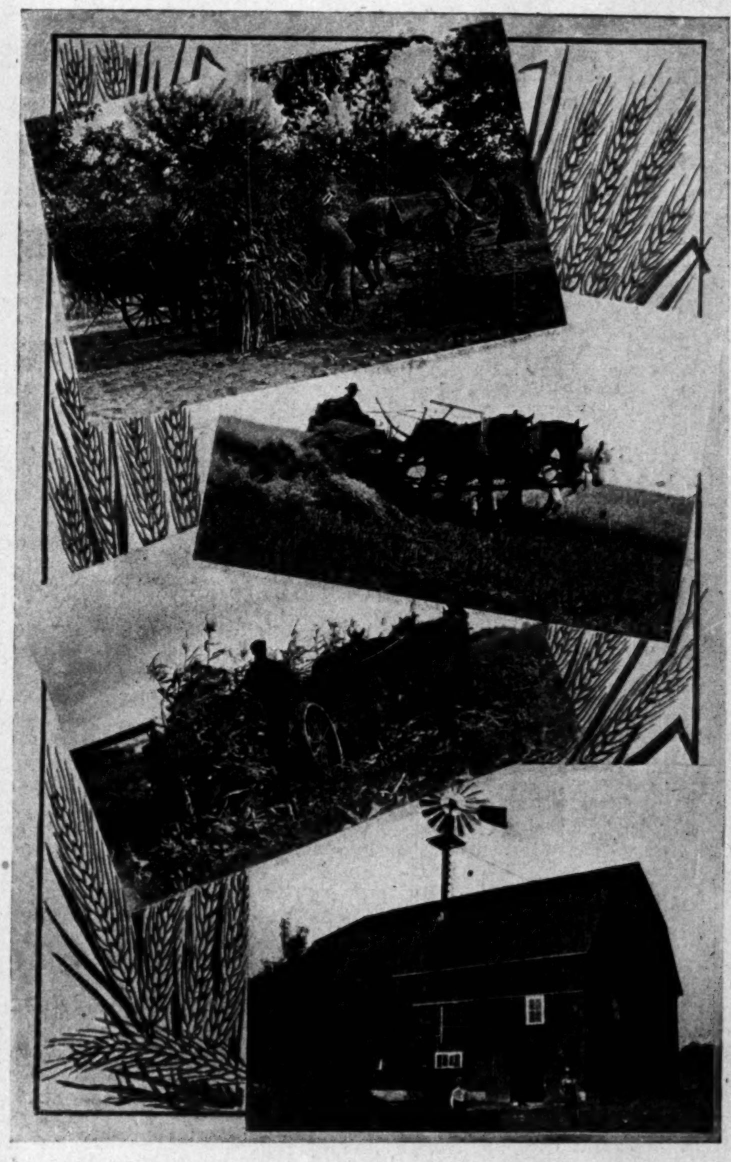
Safety: Saleability: Yield

THREE supreme, and always essential qualities—saleability, safety and yield—have come to be associated as a matter of course with the bond issues of The Province of Ontario, for during years Ontario has built up for itself a reputation no less sound than that of the Dominion of Canada itself for financial integrity, and the power to pay.

A population of over 2,800,000 permanently established, productive, and prosperous inhabitants with all the appurtenances of industry in its every modern form, gives to each bond issue of the province that "gilt-edging" which only industry and integrity on a large and powerful scale can ensure. There is "nothing small" about Ontario; neither is there anything of an exaggerated or extravagant nature; but instead a worth which will stand the most searching investigation. Security afforded by the province for its bond issues is therefore unquestionable. For years this has gone without saying, and during years Ontario's security has steadily kept on increasing.

A few figures of production for the province may serve to bear out this statement. Agriculture is Ontario's great fundamental industry—although in the mechanical industries Ontario ranks greatest among the provinces of the Dominion. Farming in Ontario is "mixed farming," the kind which knows no failure through unfavorable seasons. Fifty per cent. of the total dairy produce of the Dominion comes from Ontario, a total of at least $47,834,289 in cash realised. A sum of $60,000,000 represents Ontario's pork production for a year as handled by five packing houses in Toronto. Spring wheat realised $15,296,791 for 17,346,835 bushels, and Fall wheat fetched $4,882,875 for 395,907 bushels. Fruit production of Ontario's fertile farms is worth over $20,000,000 annually, and these items but touch the top surface of farm production in the province.

In manufacturing Ontario is immensely productive. Over 15,000 factories, mines, and places of construction in the province afford a payroll of $285,000,000. The capital investment represented is $1,336,000,000 and the annual output is at least $1,535,000,000. Forests are very productive, the value of the timber cut being over $42,000,000. Revenue produced from woods and forests amounts to over $1,635,684 annually. Capital invested is $44,843,439, and payroll runs to $31,400,000. Mineral production of Ontario equals 45 per cent. of the output of all Canada, and is worth annually $80,308,972. With all this, less than one half of Ontario's resources has yet been developed. The province has immense potentialities in water-powers, forest wealth, mines, and farmlands still untouched though steadily attracting investment.



Ontario Farms.

Fertile Farms, enterprising Industries and thriving, thrifty people form the real backing of every Ontario Bond.

With so much strength behind them it is not surprising that provincial bond issues of Ontario prove attractive to financiers and investors wherever and whenever they are offered. For the same sound reasons the bonds of Ontario are pre-eminently saleable whether in large or in small quantities. There is a demand for them. The investors of Great Britain and the United States and Canada are aware of the splendid security that exists behind these bonds, and are at all times ready to buy in more of them. They are bonds which can be sold any minute at the market.

Ontario's debt has in the main been created by borrowing for Hydro-Electric purposes, an interest bearing investment with a sinking fund, highway construction and development of Northern Ontario. In the development of these thousands have been employed.

Of great moment is the establishment by the Province of a general sinking fund for all bond issues for which a sinking fund is not already provided.

In the matter of yield Ontario's bonds hold an enviable position beside the highest grades of securities. While the yield of bonds varies as the price of money fluctuates, the yield of these premier bonds is high in purchasing power at the present time. The interest to-day on a one thousand dollar ($1,000) Ontario Bond is higher than at any time (with the exception of one recent period of about 30 months) and the purchasing power of the interest on a one thousand dollar Ontario Bond is greater to-day than was that of the yield during that 30 months' period, because of the greater buying power of money at present. Thus the soundest possible satisfaction on account of yield is emphatically associated with Ontario's bonds, and their attractiveness is based on the three great essentials of desirability in bonds—safety, saleability, yield.

The Provincial Cabinet

Prime Minister and President of Council—HON. E. C. DRURY.

Attorney-General—Hon. W. E. Raney.

Treasurer—Hon. Peter Smith.

Secretary and Registrar—Hon. H. C. Nixon.

Minister of Education—Hon. R. H. Grant.

Minister of Public Works—Hon. F. C. Biggs.

Minister of Lands, Forests and Mines—Hon. Beniah Bowman.

Minister of Agriculture—Hon. W. M. Doherty.

Minister of Labor—Hon. W. R. Rollo.

Minister of Mines—Hon. H. Mills.

Without Portfolio—Hon. D. Carmichael.

FOR FURTHER INFORMATION APPLY PROVINCIAL GOVT. OFFICES TORONTO

THE AUTOMOBILE INDUSTRY PASSES CRITICAL POINT

November Showed Larger Shipments Than Previous Year

DULL IN IMPLEMENTS

Depression of Prices for Farm Products Has Had Direct Effect in the Machinery Trades

By A. M. ALLAN,
Editor, Canadian Motor Tractor & Implement Trade Journal.

The year 1921 has been a remarkable year in the history of the automotive and farm machinery industries with many and rapid changes and rumors of many shades and complexions. Yet, while sales in most instances were difficult to make, the business actually done was not inconsiderable when the prevailing economic situation is taken into consideration. So far as it is possible to predict anything, it is a fairly safe statement to make that the automobile industry has passed the critical period. November was the first month of the year to show an increase in shipments as compared with the same period last year, and the larger manufacturers are getting ready to increase greatly their production in 1922. The same conditions cannot yet be said to exist in the farm machinery industry.

Passing Low Mark

The first quarter of 1921 was the worst period of the year in the automobile industry. The industry commenced 1921 with the handicap of the Luxury Tax and the reaction from the sudden drop in prices of farm products and the unsettling effect of tumbling car prices. As the year progressed gradual improvement was noticed. The second quarter showed a 25 per cent. increase over the first, while the third quarter showed a 25 per cent. increase over the second. This 50 per cent. increase of the third quarter over that of the first quarter is accounted for by stabilization of prices and opening of the motoring season. The last quarter shows a slight falling off due to seasonal conditions. While figures are not yet available it is estimated the last quarter will show an increase of 25 per cent. over the first quarter.

The public seemed to show a tendency toward the cheaper make of car. Some distributors of such cars show a considerable increase during a certain period in 1921 over the corresponding period of 1920. There is also a marked tendency toward the closed car. One large distributor said that 90 per cent. of purchases in 1921 were closed models. Body builders are running close to capacity on closed models and dealers from all parts of the country report a strong demand for cars of this class.

Trials in Trucks

In the motor truck field, sales have been difficult. Perhaps this section of the automotive industry has suffered most during the deflation period. In some districts sales have been practically nil. The farmers, who were expected to absorb a large number of the lighter vehicles, have been unable, or unwilling, to buy, with the result manufacturers were left with large stocks of such vehicles on hand. However, it is gratifying to note a slight increase in the call for the lighter motor trucks during the past few weeks. This activity is now extending to the heavy duty trucks. This would indicate that general business conditions are improving and a larger volume of freight makes necessary an extension of transportation facilities.

The Saturation Point

The much discussed saturation point in the automobile industry has evidently not yet arrived and there is not much indication of its appearance in the near future. Registration totals in Canada are still climbing. Up to November, 1921, the total registration of passenger cars and commercial cars for the Dominion number 459,818. Registrations for the same period last year totaled 408,999. The gain in registrations for the year was close upon 51,000 as compared with about 85,000 during 1920. Replacement business is increasing every year. In Ontario alone the number of cars due for elimination during 1922 is estimated at approximately 29,000. That figure is probably high but it compares with 12,029 in 1921.

The indications are that 1922 will be better than 1921. Business generally appears to be more settled than a year ago at this time. Prices have come down to meet the new financial capacity of the car buyer. Another indication of better business is the fact that manufacturers are buying new equipment for new cars for spring delivery in larger quantities than last year. This would indicate that stocks have been disposed of and manufacturers are now preparing to produce for current business.

Farm Machinery.

While the sales curve of the automotive industry has tended upwards from the first quarter of 1921, that of the farm machinery industry has shown a downward tendency. The first three months was the best period of the year in the implement business, showing sales well up to the figure of the corresponding period in 1920. Prospects were good at the beginning of the year and manufacturers were hopeful of avoiding the slump experienced by other industries. It was noticed by them that as soon as prices began to break in the automobile field sales fell off rapidly. To avoid similar conditions in the implement industry, and to place prices at a level which would compensate them for the high prices they had to pay for all the raw products which go to make implements, the manufacturers advanced the prices on practically all implements and tractors. Very soon after the new scale came into effect this move was seen to be a mistake. Sales dropped off rapidly and by mid-summer the resistance to sales was very great. The cause of this resistance in the main was the drop in the prices of farm products.

Implement dealers in the West have been harder hit than their brothers in the East. The fall in prices of farm products affected the West to a much greater extent owing to the fact that wheat is the principal crop grown. The practice of the Ontario and Quebec farmers of operating largely mixed farms gives them a greater measure of security.

It is estimated that machinery sales in Ontario for 1921 will be about 65 per cent. of 1920. The West won't show more than about 35 or 40 per cent. During October, November and December there has been some activity in engine and cutting box sales owing to an abnormally large corn crop. This applies only to eastern Canada.

This summer saw most of the farm machinery factories either shut down altogether or working on a curtailed basis. There has been no considerable improvement since that time. Certain manufacturers have shown a slight activity during the fall and early winter, but those who are operating are producing mostly for export markets and for stock rather than for actual orders.

The outlook for 1922 is for a volume in dollars and cents about equal to the volume of 1921, which in view of price reductions would mean an increase of 25 to 30 per cent. in tonnage. It is felt generally that there cannot be any considerable improvement in conditions until another crop is harvested.

TAKING LOSSES A GOOD POLICY IN MANY LINES

(Continued from page 22)

sent the loss that has been taken by individual wholesale firms in this country.

The Coming Year.

No matter what business records may show for the incoming year it is safe to say that it starts out with clean stocks. That is about as far along the road of prophecy as we would care to go. The policy of buying from clean stocks and, so far as we can see, there is little likelihood of there being a change in that policy for some time to come. It is no idle boast to say that Canada is enjoying better times than most if not every country in the world. Returning travellers bear testimony to this in unmistakeable terms. There is no reason to believe that this fundamental fact will change when better times are upon us. But, for the time being, it is well to remember that we are no longer an isolated people self-contained and self-containing. It makes a difference after all whether the volume of the world's business seeks its ordinary channels or whether its progress is interfered with by revolution here and there, unstable conditions somewhere else, and hardship and even stark famine in another part of the globe. The world's business to-day is so international and so inter-dependent that the buying power of the average consumer is affected in a measure thereby. Some of our basic products, such as wheat, are price-fixed by world markets. The cost of producing wheat in Alberta has little to do with the price of wheat. It is well to get this broader vision in taking a peep at the year upon which we have just entered. All gradations of trade will watch and keep step with consumer demand, a demand that will be regulated by factors of world-wide significance. It will make some difference to business in Canada whether or not Russia, Germany, France, the Balkan countries and South America are able to buy normally. When they are, dry goods and men's wear lines will reap their share of these better times.

Mexico holds the key to the oil situation. Nearly one-third of the world's supply is now belching from a single spot below the Rio Grande, too small and inconsequential to be noted on an ordinary atlas.

THE CURE FOR THE DEPRESSION LIES WITH THE PEOPLE

Prices of Farm And Other Primary Products Out of Balance

REPLACEMENT VALUE

Merchants Must Forget What Stocks Cost—Organised Labor Must Forget War-Time Wage Scales

Circular of the National City Bank of New York.

In estimating the outlook for 1922 it is necessary to consider the causes of the depression and inquire to what extent they have been removed or are likely to be overcome. The rapid decline of the European demand for our products is one of the causes. As compared with the war years, our exports during the last year show a great falling off, but as compared with years before the war they are well above the latter in the aggregate, although not in all lines. Exports of cotton for the fiscal year ended June 30, 1921, were about 3,000,000 bales below the average of the five years next preceding the war, which is a sufficient explanation of the great fall in price of that commodity.

It cannot be confidently affirmed that the foreign demand for our products will increase in 1922 or even be maintained at the level of the past year. As to foodstuffs much will depend upon European harvests. Agriculture will be restored everywhere but in Russia. The purchasing power of Europe seems now to depend chiefly upon mastering the currency problem, but there is a strong presumption that the countries will manage to export enough of their own products to buy food necessary to keep their people from starving.

One factor of importance in 1921 which probably will be reduced in 1922 is the importations of gold. In 1921 they aggregated over $600,000,000. This gold is believed to have come largely from Russia, and that source of supply must be nearly exhausted. Of the current output of the mines of South Africa and Australia, we probably will continue to get a share.

Unbalanced Industry

The principal factor in the depression is within the control of the people. It exists in the unbalanced relationship between the prices of farm and other primary products on the one hand and the prices of manufactured goods, transportation service and various other products and services on the other hand. The final estimates of the Department of Agriculture upon the 1921 crops give them a market value to the farmers $8,000,000,000 below the value of the crop of 1919 and $3,400,000,000 below the value of the crop of 1920. These are figures of great significance. The farmers have produced nearly as much in quantity, but it has been valued in the exchanges at less than one-half the figures of 1919. As other products and services have not declined in like degree, the farmers must buy much less, and all the industries are suffering in consequence.

Wages Out Of Line

It is useless to expect a return to normal conditions while this disparity of compensation between great bodies of producers exists. It is unfair and it establishes an effective blockade against a revival of business. It is time that the business community took cognizance of the situation, and set itself to the task of correcting it. The arguments that stock on hand was purchased at higher prices has lost whatever force it ever had. Merchants who are interested in the return of prosperity should do their part for it, and one of their duties is to reduce operating costs.

In large part the situation is chargeable to the action of organized labor in clinging to the war-time wage rates. Raw materials and foodstuffs have had a great decline at wholesale, but between the wholesale markets and consumers the cost of handling and manufacturing has not declined in like proportions. The effect is to obstruct the distribution of goods and throw millions of wage-earners out of employment, at the same time keeping up the cost of living on the entire wage-earning population. In the aggregate there is no gain, but a great loss, to the wage-earners as a class.

MASS PRODUCTION OF MONEY

(The Nation's Business)

Billions will soon be superseded by trillions in other countries than Russia, if the printing press is not soon replaced with the slower but more healthful minting machine. After having a sample fair, Vienna announced that the value of business transacted was thirty billion crowns. That is impressive to folk who still confine their every day conversations to millions and who do not recall promptly that the crown has fallen from its old value to four-hundredths of a cent. Even so, the Austrian crown of today, when turned into our gold dollars, shows $14,250,000 as the volume of business done by the Vienna fair, and such results are decidedly encouraging.

CANADA'S BORROWING DURING 1921 GREATLY INCREASED OVER 1920—TOTAL ISSUES APPROXIMATELY $400,000,000

(Continued from Page 17.)

of this year still higher prices for bonds and a return to the coupon rates of six, seven and eight years ago.

Undoubtedly the outstanding event of the bond market in Canada in 1921 was the sale of $25,000,000 of Canadian Pacific Railway 4 per cent. consolidated debenture stock in the New York market. The C.P.R. had sold well over $200,000,000 of this security—its ranking obligation—in London largely in the days before the war but had never borrowed in New York. Yet in December the road sold this amount of bonds in New York and they were sold to the public at 5.13 per cent yield, indicating that in the minds of American investors C.P.R. debenture stock ranks with the best investments available.

CANADIAN BOND ISSUES FROM 1914 TO 1920

	1914	1915	1916	1917	1918	1919	1920	1921
Government ..	$ 85,415,330	$214,814,133	$208,621,933	$674,374,500	$696,000,000	$773,147,000	$121,790,000	$143,550,000
Municipal	84,388,431	66,508,073	49,893,763	28,375,000	59,000,000	31,000,000	62,200,000	86,395,100
Railway	59,405,666	37,915,665	15,920,000	22,566,666	5,000,000	35,355,000	96,500,000	102,700,000
Public Service.	25,131,725	14,605,000	22,950,000	15,425,000	2,375,000	20,950,000	11,500,000	15,450,000
Miscellaneous .	18,598,915	8,050,000	19,531,666	17,067,800	5,155,000	40,500,000	35,300,000	58,870,145
	$272,935,067	$341,892,871	$316,917,362	$757,808,966	$767,530,000	$900,952,000	$327,290,000	$398,975,245

Canadian Government and Municipal Bonds

possess all the elements that go to make an attractive investment. The principal is secured by safeguards of the highest type. Interest is promptly paid and conveniently collected and these bonds will be found to be amongst the most readily saleable of all securities should occasion demand immediate cash.

We deal exclusively in bonds of this nature, and our facilities for buying and selling such securities, as well as our experience in selecting the bonds best suited to individual requirements, is gladly placed at your disposal.

Consult us about your investment problems.

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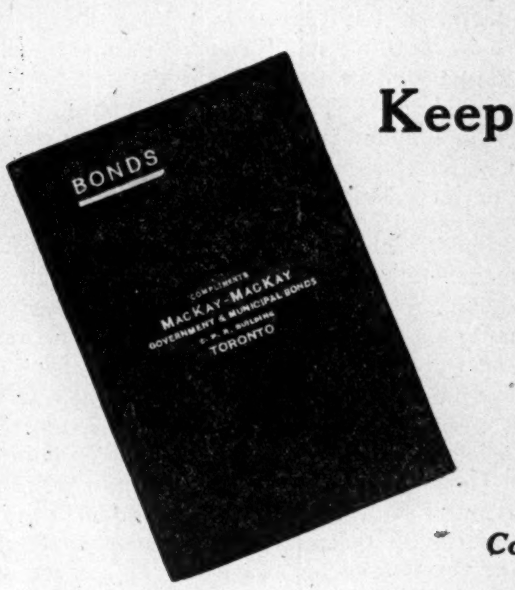

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FREE ON REQUEST

Our long experience and wide connection in the investment field enable us to place at your disposal extensive facilities for the purchase or sale of high-grade securities. Consult us for suggestions.

Correspondence Invited

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Government and Municipal Bonds
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INCORPORATED A. D. 1833

British America Assurance Company

FIRE, MARINE, HAIL, AUTOMOBILE, RIOTS.
STRIKES AND CIVIL COMMOTIONS

Assets over - - - - - - $4,330,000.00
Losses paid since organization in 1833 over - $50,000,000.00

British and Foreign Offices: 14 Cornhill, London, E. C

HEAD OFFICES:
British America Assurance Buildings; Corner, Scott and Front Streets, Toronto

W. B. MEIKLE, *President*
W. M. COX, *Vice President*
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C. S. WAINWRIGHT, *Secretary*

FLUCTUATIONS IN TRADE SINCE BEFORE THE WAR

Some Interesting Comparisons Based on Available Figures

EXPORTS AND IMPORTS

How the Balance of Trade Was Affected by Exports of Munitions and Agricultural Products to Europe

By T. M. FRASER.

OTTAWA.—Statistics of Canada's export trade for the years just before, during and since the war would show some extraordinary variations. For the decade just before the war, ending with the year 1910, there was a gradual but not particularly striking increase in export trade. In 1901 our exports were around 194½ millions, of home and foreign produce. In 1912 they had increased to a little over 300 millions. In the following two years they took a remarkable jump of just under 150 millions reaching nearly 455½ millions. That was the last pre-war years, from the statistical point of view, the record being up to March 31st, 1914. The figures show that they receded slightly, probably due to the general dislocation because of the war, and thereafter took an almost vertical jump from 400 up to nearly 1600 millions in 1918. Since that time they have been steadily receding, until for the year ending September they had got back to 991½ millions, or to where they were in the latter part of 1916.

In 1913 the balance of trade against Canada was the largest in our history, being $315,452,634. For the following two years this diminished and in 1916 for the first time since 1898 it gave place to a favorable balance which continued for the next five years. In the year ending last March the balance had again gone against us to the extent of about 30 million dollars. Since that time Canada has heavily curtailed its imports, with the result that for the year ending September the balance was again on the right side by over 86 millions.

Balance of Trade

Our export trade to Great Britain and the United States so far out-balances that to any other countries that they must be considered first, constituting about seven-eighths of our total export trade. Up to the early years of the war, our exports to the United Kingdom had always exceeded those to the United States. This position of precedence was maintained throughout the war, mainly because of the heavy exports of munitions; but in 1920 it was reversed, and this tendency has increased until for the year ending September we find that our exports to the United States were 428½ millions as compared with 285 millions to the United Kingdom. The falling off in exports to the United Kingdom has been relatively much greater than to the United States. In the year ending September, 1919, our exports to Great Britain were nearly 550 million and to the United States a little over 433 million; for the same period this year the figures were respectively 285 million and 428½ millions.

Making Comparisons

In export trade, as in so many other particulars, if we are to institute really useful comparisons, we will not gain much by making comparisons with war years. The true comparison is rather with the years just before 1914. The exports for the three years prior to 1915 averaged about $400,000 a year. For the twelve months ended in September, they amounted to $976,060,660, or nearly 150 per cent. increase. The average index number for the wholesale price of 13 of the chief groups of commodities for the three pre-war years was about 135. At the present time it is less than double this so that, roughly, our exports amount in value to as much as or more than in pre-war days. The New York Journal of Commerce, referring to the common practice of using pre-war prices in estimating the present conditions of trade, said: "Both exports and imports, measured in quantities, are above their true pre-war level and taking them together they are far above the old base. We speak of them to-day as having fallen off simply because prices have fallen. It has always been a mistake to accept the pre-war level as a basis of comparison, and this mistake is more obvious than ever at the present moment, because it is plainer and plainer that we are not likely to get back to the war level or anything like it. Nothwithstanding the general depression in trade and the restricted purchasing power of our former export markets all over the world, our export trade is not in nearly so bad a position as year-by-year comparison since, say, 1918 would make it appear to be. So far as quantity goes (and that is the only fair comparison) our trade is not in anything like so deplorable a condition as it is sometimes made out to be.

It is extremely difficult, from a comparison of the reports issued by the Government Statistical Department, to get an accurate continuous progressive estimate of the trade for the past ten years, covering the war period and the three years before and since. The Department has made a change in its method of arranging its groups of exports, so that it would take the proverbial Philadelphia lawyer to dig out and present accurately such a statement.

A review of the progress of our export trade to the principal countries since 1915 is interesting, the figures being in millions, and for the respective fiscal years:

	1915	1916	1917	1918	1919	1920	1921
United Kingdom	186	452	742	845	540	489	313
Australia	5	7	6	8	14	11	18
New Zealand	2	3	3	4	6	7	11
British Africa....	4	5	4	5	12	9	15
British W. Indies	4	4	5	6	10	10	13
Newfoundland....	4	4	6	10	11	16	16
Belgium....	2	..	..	5	1	28	40
Brazil	..	1	1	..	4	2	2
China	..	..	..	2	2	6	4
France	10	33	64	201	96	61	27
Germany	1	..	..	..	..	..	8
Greece....	..	..	..	..	..	29	20
Holland....	1	1	1	2	..	5	20
Italy	..	6	11	3	13	17	57
Norway....	1	..	..	..	1	4	5
Spain	..	..	..	..	..	1	5
Russia	1	5	3	4	6	1	..
United States	173	201	280	418	455	464	542

The value of some of the principal classes of exports for the years above mentioned are as follows:

	1915	1916	1917	1918	1919	1920	1921
Fruits	3	3	2	..	4	8	10
Grains	88	193	290	415	120	220	344
Flour, etc.....	25	36	48	104	107	104	73
Animals, etc.	15	18	13	19	35	50	26
Meats	22	38	54	80	85	96	44
Fisheries	20	22	25	33	38	42	..
Forest Produce	42	51	56	51	70	105	115

PROSPECTS POINT TO LARGE SCALE BUILDING OPERATIONS THROUGHOUT CANADA IN 1922

(Continued from page 24)

dition to 130 businesses of various kinds not engaged in manufacturing. "A great many inquiries were received by the Board of Trade from manufacturers in many lines of industry," Mr. Davidson of Winnipeg Board of Trade told THE FINANCIAL POST, "but in keeping with the policy of the Industrial Development Bureau encouragement has been given only to those industries which it was felt would prosper here. Effort has been made to discourage the establishment of any industry for which there would not be immediate prospect for development."

"The Board of Trade recently considered proposals from an industrial expert to establish an industrial centre adjacent to Winnipeg, and conduct an organized campaign for industries. The general plan for the establishment of such a centre has been approved by the Board of Trade, but as yet there are no further developments to report."

Quebec

In this province the city of Montreal shows a big advance over last year in building operations, the civic department reporting a total of $21,275,779 as compared with $13,685,455 in 1920. Even if a lump sum of $5,000,000 included in December's total be omitted the year still stands $2,600,000 ahead of the previous year. The year's operations include 2,659 dwelling houses valued at $5,909,175; 100 stores at $642,425; one theatre and one annex; $137,000; 37 warehouses, $855,200; 13 factories, $285,200; 6 churches and temples, $377,250; 6 schools, $1,370,948; 3 hospitals, $720,000; one brewery, $119,000; 10 office buildings, $1,515,897; 344 garages, $674,374.

Quebec City's biggest job was the extension of the Chauteau Frontenac, the C. P. R. hotel. The totals for that city were $3,192,576 for the 11 months as against $2,220,820 one year ago. Westmount, where a number of apartment houses were erected shows a gain of nearly half a million, $1,538,493 as against $1,082,640.

In Three Rivers a start was made of a big group of workmen's dwellings by a Montreal building company and good progress was made on the International Paper Co's. plant. Industrial construction, naturally, fell off in the centres.

In Mount Royal, Dixie, Beaconsfield, St. Lambert and other suburbs of the City of Montreal, the erection of dwellings is expected to be quite active in the new year. Factory and warehouse work is expected to be slow for a time, until general business improves.

The Maritimes

HALIFAX.—In the Maritime Provinces during the year building operations were carried on pretty much as usual, except in the manufacturing towns where the effects of the business depression were more obvious than elsewhere. In Halifax, the new construction, while less than during 1920 or 1919 when building to replace the houses destroyed by the explosion in December 1917 was still going on, was above the average for the years just before the war. Throughout the Annapolis Valley building operations were carried on on a scale considerably above normal, the prosperity of the fruit growers being reflected in many residences. In the eastern communities dependent on the fisheries there was little building activity, but in the communities of the southwest where many of the fishermen, despite poor returns from the cod and haddock fishing, cleared from $3,000 to $4,000 from the lobster fishing during the three months' season last spring, the amount of new construction was equal to the average year or better, the practical suspension of shipbuilding having made available the services of a large number of carpenters at reduced wages.

One of te largest building societies, the Nova Scotia Building Society, which has been doing business all over the province for over seventy years, reports that all their money has been fully employed during the past year, and that they have not had a foreclosure for three years.

While decreases in prices of building materials have varied, the average decrease for the year is said to have been about 30 per cent.

Building societies and real estate agencies are inclined to be optimistic about the prospects for building in 1922, but do not anticipate anything in the nature of a boom, which, indeed is something few Nova Scotia communities have experienced. There is no shortage of houses in Halifax, except of a sectional character, now and in the North End there are a number of houses to let, due to the departure of men whose employment here ceased with the launch of the last ship from the Halifax shipyards. However, the building loan societies report that they have already received a goodly number of applications for loans from parties planning to build this year, the expectation being that lumber, the main building material will show a further fall in price, and that the building workers will take without much trouble another reduction in wages.

Ontario

All the irregularities of the adjustment era have been reflected in the building situation in Ontario for the year 1920. Ontario as the home of a larger number of industrial centres than any other province, was peculiarly affected by the depression that has prevailed, and building of an industrial character has therefore proceeded on a relatively small scale, as generally speaking there was factory and warehouse accommodation to spare. On the other hand there was a fairly large volume of house and office building in the cities, which tended to bring up the total for the year well up to the returns of the past year. A municipality lying adjacent to the city of Toronto, York Township has developed into one of the foremost building communities of the Dominion, and helped materially to swell the total for the province. Many dwellings have been built this year, and likewise a large number of garages testifying to the increasing prevalence of the automobile.

Building operations were hampered by the high costs of construction, and the diffidence of placing capital in real estate in view of the high tax rates now prevailing. In Toronto the tax rate of well over 3 per cent., which is in reality a first mortgage upon the property, and an additional mortgage rate of 7½ per cent., as well as the excessive costs of building as a result of high material prices and wages, have created a situation which is a decided handicap to the prospective builder of limited means, and has been instrumental in tieing up an enormous amount of proposed building for an indefinite period. There is ground for belief that the coming season will witness a revival of building on a scale which will approach the activity of the record years. There is still little prospect of large scale industrial construction for the accommodation in existence is more than ample, and will likely continue so for some years to come, but there is a housing and office shortage, which will stimulate active building when conditions are righted.

THE ECONOMIC CYCLE

(Continued from page 17)

held in excess of the amount prescribed by law.

The following table is worthy of close inspection, as it will give a striking example of the value of a close study of banking statistics will give a cheer to the future course of business.

Excess Reserves of Combined Federal Reserve Banks at the end of the first week of several months
(Millions of dollars)

Nov.,	1918...	517	Oct.,	1920...	267
Feb.,	1919...	629	Nov.,	1920...	235
June,	1919...	666	Dec.,	1920...	299
July,	1919...	554	Jan.,	1921...	397
Aug.,	1919...	535	Apr.,	1921...	672
Sept.,	1919...	524	June,	1921...	866
Oct.,	1919...	519	July,	1921...	963
Nov.,	1919...	409	Aug.,	1921...	1,092
Dec.,	1919...	385	Sept.,	1921...	1,196
Jan.,	1920...	273	Oct.,	1921...	1,296
Apr.,	1920...	206	Nov.,	1921...	1,373
July,	1920...	287	Dec.,	1921...	1,440

The Peak Reached

It will be observed that the first peak was reached in June 1919 with a total of 666 millions' and that the decline from that figure was precipitate having fallen 257 millions by November. Is it to be wondered that the Federal Reserve Board by then saw the imperative necessity for curtailing speculation, and that Wall Street experienced its first crash immediately after?

But even the efforts of the Board in raising discount rates and curbing speculation could not stop the depletion of the reserves, which fell to the amazing low figure of 206 millions in the first week of April 1920. The decline, of which the first warning had been given in November 1919, was absolutely inevitable. Prices rushed up to a final climax in May and then toppled over, the banking strength of the country could not maintain them any longer.

Such is the plain story of the decline of 1920: it can be read like a book in the record of the bank reserves. But to continue the history, the subsequent course of the reserves tells another tale. It is interesting to note the steadily climbing total, until in the first week of December 1921 they reached the colosal total of close upon a billion and a half. The conclusion is irresistible, the banks are piling up their reserves against the day when finance, industry and commerce will advance once more. That this is close at hand we cannot doubt.

ANGLO-PERSIAN DIVIDEND

Although ordinary capital of Anglo-Persian Oil Co. stock control of which is held by British Government, was increased by 4,500,000 shares of £1 par value each about a year ago, directors have recommended annual dividends of 20% for the year. This is same payment as was made last year prior to raising capital to 7,500,000 share of £1 par each.

Maintenance of dividend, despite the fact that it calls for an outlay more than double that of last year, is occasioned by huge increase in profits for fiscal year, ended March 31 1921. Profits after all expenses, reserves, interest and preference dividends were £2,863,729, or about 38% on ordinary shares. In previous fiscal year balance for ordinary stock was £1,538,841.

THE
GREAT-WEST LIFE
has again in 1921 completed a satisfactory year's business.
Amount of insurance in force
OVER TWO HUNDRED AND EIGHTY-SIX MILLIONS.

Available
At Once

two first class advertising salesmen,—one with 16 years' experience, and the other with over 10 years' experience.

These two salesmen whose services are available to a wide-awake progressive manufacturer, have clients in every Town, Village and Hamlet throughout South Saskatchewan. Their past and present connections have given them a broad and practical knowledge of executing National advertising campaigns, dealer co-operation and marketing conditions.

Their clients who number over 33,000, and whom they call on daily, are capitalized at over $500,000,000, which sum of money they have just received from the sale of their farm products, and the year 1922 will find them in first class shape—ready to buy the products of the manufacturer who decides to avail himself of the services of these two super-salesmen.

These two salesmen with their assistants, ending Dec. 1921, sold in Regina 3,600 automobiles and in the province of Saskatchewan 60,836.

References:–Any recognized advertising agency or

E. J. GUY
302 Royal Bank Bldg.,
Toronto, Ont.

E. L. McARTHUR
232 St. James St.,
Montreal, Que.

The Morning Leader
Regina

Regina Daily Post
(evening)

Saskatchewan's Two Greatest Salesmen with the largest clientele between Winnipeg and the coast.

PRICE RECORD OF CANADIAN STOCKS FROM 1914 to 1921

Quotations of Montreal and Toronto Stock Exchanges. Banks' and Loan Companies' Stock Prices on Page 31

Stock.	Range for 1921.				Range for 1920				Range for 1919				Range for 1918				Range for 1917.				Range for 1916.				Range for 1915		Range for 1914	
	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Low	High	Low
Abitibi Power & Pulp, com..	58	Jan.	22	June	87	Aug.	49½	Dec.	290	Dec.	48	Jan.	51½	Oct.	48	Apr.	58½	July	48	Nov.	...	....	...	....	...	...	...	...
Abitibi Power & Pulp, pref..	89	Jan.	83	June	99	July	85	Dec.	110	Sep.	90	Jan.	90	Dec.	90	Dec.	90	Aug	88½	Sep.	...	....	...	....	...	...	...	...
Asbestos Corp., com.	82½	Jan.	36	Aug.	103	Oct.	64	Dec.	91¼	Oct.	44	Jan.	45	Dec.	15	Jan.	21	Jan.	12	Apr.	24	Dec.	23	Dec.	...	...	...	...
Asbestos Corp., pref.	95	Jan.	65	Sept.	108	Oct.	83	Dec.	103	Nov.	61¾	Jan.	62¾	Dec.	44¾	May	53	Jan.	42	June	60	Dec.	53	Dec.	...	...	...	...
Ames-Holden, com.	25	Jan.	15	Apr.	137½	Jan.	10	Dec.	130	Dec.	26	Jan.	28	Aug.	15	Apr.	23½	Jan.	12	Oct.	35	June	19½	July	23	†7⅞	16	6
Ames-Holden, pref.	45½	Jan.	15	July	114¾	Jan.	27	Dec.	116¼	Oct.	65⅝	Jan.	72½	Aug.	47	Jan.	61	Jan.	47	Nov.	80½	June	52	July	75	55	70¼	54
Atlantic Sugar, com.	35¾	Nov.	20¼	Jan.	164	July	16	Nov.	75½	Dec.	19	Feb.	...	...	...	...	...	....	...	....	...	....	...	....	...	...	...	...
Atlantic Sugar, pref.	88	June	34	Feb.	184	July	24½	Dec.	123	Nov.	65	Feb.	...	...	...	...	...	....	...	....	...	....	...	....	...	...	...	...
Amer. Cyanamid, com.	29	Apr.	29	Apr.	36	Apr.	33	Aug.	47	July	38	July	35⅞	Mar.	21	Jan.	30	Jan.	19	Sep.	...	....	...	....	...	...	...	...
Amer. Cyanamid, pref.	62	Feb.	6	Apr.	65	Sep.	62	Apr.	...	....	...	....	69¾	Oct.	69¾	Mar.	55	Jan.	50	Feb.	...	....	...	....	...	...	...	...
Amer. Salesbook, com.	9	Dec.	3¾	Nov.	7½	Nov.	5	July	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Amer. Salesbook, pref.	79¾	Dec.	70	Jan.	83½	Aug.	70	Dec.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Barcelona, com.	5⅞	Feb.	3	Dec.	9¾	Jan.	3¼	Dec.	13¼	Jan.	5¾	Dec.	15½	Nov.	8¾	Jan.	17	Jan.	8	Nov.	17	Aug.	9	Jan.	17⅞	†7⅞	35⅛	15
Bell Telephone	112	Jan.	99¼	Jan.	111¼	Jan.	100	Dec.	133	May	110	Dec.	132½	Feb.	128	Jan.	150	Feb.	129	Oct.	152	June	140	Aug.	159	140	159¼	143
Brazilian, com.	36	Jan.	19¾	July	51¼	Jan.	28	Dec.	61	Jul.	50	Feb.	60¼	Nov.	32	Jan.	47¾	Jan.	31¾	Oct.	62⅝	May	43	Dec.	59¾	45	92	53½
British Empire Steel, com..	12¼	Aug.	7	July	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
British Empire Steel, 1 pfd.	62½	Oct.	56	Aug.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
British Empire Steel, 2 pfd.	40	June	19½	June	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
B. C. Fishing & Packing ..	46	Feb.	18½	Sept.	66	Jan.	34¼	Dec.	71	Oct.	46	Mar.	52½	Aug.	40	Jan.	56	Feb.	35	Oct.	67	April	58	Oct.	65	57½	...	...
Burt, F. N., com.	113	May	93½	Sept.	110	Jan.	88	Aug.	112⅛	Oct.	71	Jan.	67	May	63⅛	Dec.	82	Feb.	65	Sept.	88	Dec.	72	Jan.	70	70	88	65
Burt, F. N., pref.	112½	June	96½	Jan.	110	Jan.	90	July	110⅛	Oct.	90	Jan.	90	Dec.	84¼	Jan.	93½	Mar.	86	Nov.	96	Sept.	86	Dec.	94	89	100	89
Brompton Pulp & Paper ...	57	Jan.	13	Sept.	85	Sep.	42¼	Dec.	87	Dec.	55	Apr.	63¼	Oct.	41¾	Jan.	58¼	Mar.	38	Oct.	79	Nov.	43	Dec.	...	...	...	...
Canada Bread, com.	29	Nov.	16½	Apr.	32½	Jan.	19	Dec.	33	Nov.	18	Feb.	24½	Dec.	16	Jan.	20	Dec.	13	Nov.	30	Jan.	16⅛	Dec.	31⅛	29	33	18⅛
Canada Bread, pref.	88	Feb.	85	Jan.	86½	Feb.	84	June	87	Dec.	78¼	Sept.	83¾	Apr.	83¼	Mar.	86½	Jan.	80	Oct.	90	Jan.	87	May	...	*90	...	...
Canada Cement, com.	66¾	Jan.	46¾	June	75	Jan.	54¼	Nov.	74	Oct.	63	Feb.	69¾	Nov.	56½	Jan.	69⅞	Jan.	52	Nov.	73	June	37¾	Jan.	48½	28	32	28
Canada Cement, pref.	94	Jan.	81	July	100	Jan.	88½	Dec.	103¾	Sept.	95	Jan.	96	Dec.	90	Feb.	95¾	Jan.	90	Feb.	98	May	86	Sept.	98½	89¾	93	88
Canada Steamships, com. ..	50¼	Jan.	38	Apr.	80¼	Jan.	34	Dec.	81	Dec.	41½	Feb.	51	Dec.	39	May	45⅝	Aug.	29¾	Feb.	45	Dec.	14	Jan.	20	†6	18	9⅜
Canada Steamships, pref. ..	74	Jan.	38	Apr.	85	Mar.	60½	Dec.	87½	June	77	Feb.	80¼	Dec.	72½	Jan.	93¾	Jan.	71	Nov.	95½	Dec.	69¾	Jan.	76	59	76	59
Can. Car and Foundry, com	43	Jan.	16	Oct.	74	Jan.	29	Nov.	72½	Dec.	28	Jan.	38¼	Aug.	18	Jan.	46½	Jan.	17	Oct.	75	Jan.	32	Dec.	120	50	70	48
Can. Car and Foundry, pre	79	Jan.	42	Oct.	109	Jan.	67	Dec.	108½	Dec.	82	Jan.	91	Aug.	49½	Jan.	89	Jan.	49	Oct.	94	May	61¾	Jan.	127	98	109½	98
Can. Con. Rubber, com.	135	Nov.	135	Nov.	100	Mar.	87¾	Dec.	150	July	...	....	100	Mar.	98	Dec.	99¾	Sept.	90	Mar.	99	April	34	June	91	91	91	91
Can. Con. Rubber, pref. ...	90	Apr.	85	Sept.	95	May	92	May	100	July	97	Feb.	98	Sept	97	Feb.	99¼	Nov.	95	Mar.	97	Mar.	91	Mar.	101	100	97	96½
Can. Converters	74	Oct.	57	Apr.	80	July	51	Dec.	71½	Nov.	45	Feb.	50	Sept	43	Mar.	43	July	39	Feb.	46	Nov.	34	Jan.	34	34	40	34
Canadian Cottons, com. ...	85	Nov.	62½	Sept.	100	July	71	Dec.	98	Nov.	67	Feb.	70	Aug.	48½	Jan.	56	Jan.	46½	Sept.	65	Oct.	39	Feb.	40	24	39	24
Canadian Cottons, pref. ...	80	Nov.	70	Jan.	83	Jan.	66	Dec.	87¾	Apr.	76	Jan.	77	July	75	July	82	Jan.	75	Sept.	82½	Nov.	75½	Jan.	77	71	79	70½
Carriage Factories, com. ..	20	Jan.	8½	Oct.	49½	Jan.	7½	Dec.	33	Oct.	13	June	17	July	15	July	25	Jan.	9¼	June	44	July	29¾	Feb.	55	35	92	92
Carriage Factories, pref. ...	65¾	Jan.	65	Apr.	90½	Feb.	72¼	Jan.	80	Dec.	46	July	...	....	...	....	...	....	...	....	75	July	60	Dec.	81	65	...	...
Can. Fairbanks-Morse, pref.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	95	...	...	...
Can. Forgings	...	....	...	....	257	Feb.	75	Dec.	208	July	175	Nov.	213	Sept.	150	Feb.	205	Jan.	150	Mar.	217	Jan.	170	Feb.	243	90¼	114⅞	90¼
Can. Forgings, pref.	67½	Jan.	67½	Jan.	92	May	91	Mar.	92	Oct.	89½	Feb.	97	Nov.	90	Sept	84	May	82	April	90	Nov.	85	May	...	110	...	...
Can. General Electric, com.	117	Mar.	84½	July	109	Mar.	90¾	Dec.	116	May	101½	Mar.	106	Dec.	99½	Jan.	115½	Jan.	99½	Dec.	126	Nov.	108	April	128	30	45	30
Can. General Electric, pref.	102¼	Dec.	90	Jan.	104	Feb.	90	Dec.	100	Dec.	99½	Nov.	110	Dec.	100	Apr.	106	Feb.	94½	Jan.	112	May	110	Aug.	110½	78	90½	78
Can. Locomotive, com.	86	Jan.	74½	May	100	Mar.	80	Dec.	105¾	Oct.	60	Feb.	69⅛	Sept	58	Jan.	64	Apr.	52½	Feb.	64½	June	51	Oct.	64½	139¾	219⅝	156
Can. Locomotive, pref.	89	Feb.	78	Oct.	95	Jan.	80	Nov.	97½	Oct.	89½	Apr.	90½	Sept	83	Feb.	91½	Apr.	83	Oct.	99	Sept.	81	April	90	*110	115	115
Canadian Pacific Ry.	141	Jan.	114	June	142	Oct.	125	Sep.	175	July	160	Jan.	173	Aug.	137¾	Jan.	167½	July	127¾	Dec.	182½	May	163¾	Dec.	195½	35½	...	...
Canadian Salt	89	Feb.	75	June	147	Mar.	85	July	147	July	135	July	132	Dec.	126	Mar.	136	Mar.	128	Mar.	140	Nov.	124	Nov.	...	75	...	...
City Dairy, com.	100	Dec.	55	Jan.	62	Jan.	50	Oct.	62½	May	48	Jan.	50	Oct.	30	Mar.	30	Mar.	30	Mar.	98	Jan.	89	May	100	98	102	98
City Dairy, pref.	92	Dec.	75	June	99	Jan.	85	Dec.	95	Aug.	84	Feb.	85	May	60	Feb	70	Apr.	60	Aug.	100½	Feb.	92	Dec.	102	98	101⅝	98
Confederation Life	...	....	...	....	310	Aug.	300	Sep.	...	....	...	....	...	....	...	....	...	....	...	....	330	Nov.	...	....	...	*350	385	385
Coniagas Mines	2.20	Jan.	1.14	Nov.	3.15	Jan.	1.75	Dec.	3.15	Dec.	1.51	May	3.70	Nov.	2.50	July	4.70	Jan.	3.30	Nov.	5.95	Nov.	3.90	Nov.	5.60	3.55	850	600
Consumers' Gas	141	Apr.	65	June	150	Feb.	125	Oct.	152	Feb.	138	Oct.	153	Oct.	144½	Mar.	165½	May	147	Oct.	176	Jan.	160	Nov.	185	176	180	169
Crown Reserve	20	Jan.	7	July	48	Jan.	15½	Dec.	60	Feb.	30	Aug.	32	Dec.	17	May	43	Jan.	21	Dec.	58	Nov.	39½	Nov.	1.18	.32	195	100
Crow's Nest Pass	55	Feb.	45	Jan.	59⅞	Jan.	40	Dec.	65	Nov.	49½	Oct.	55	Dec.	50	July	70	Mar.	50	May	83	Nov.	71	Nov.	...	*50	70	500
Detroit United	96	Feb.	50	July	113¾	Jan.	79¼	Dec.	113	Nov.	94	May	...	....	...	....	128	Jan.	104¾	Oct.	128½	Dec.	69	Jan.	73	62	73¾	55
Dominion Bridge Co.	92	Jan.	61½	Aug.	115	Jan.	69	Nov.	123	Jan.	94	Aug.	128	Sept	123	May	170	Jan.	125	June	231½	Jan.	160	Dec.	237	107	122½	108
Dominion Canners, com. ...	45	Jan.	19	June	66¼	Mar.	26	Dec.	65½	Oct.	34	Mar.	43	May	20	Mar.	26	Mar.	19	Jan.	22	Nov.	15	Sept.	35	31	68⅝	27½
Dominion Canners, pref. ..	80½	Feb.	75	July	90	Jan.	79	Nov.	92	June	76	Jan.	81	Mar.	65	May	78	Feb.	65	Oct.	65	Dec.	61½	Nov.	...	*85	96	80
Dominion Glass, com.	64	Jan.	50	May	69¾	Jan.	57	Dec.	73½	Oct.	44½	Mar.	...	....	...	....	...	....	...	....	...	....	...	....	...	*120	...	...
Dominion Glass, pref.	91	Dec.	77½	Jan.	91	Jan.	82¼	Nov.	94	Oct.	88¾	Mar.	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
National Steel Car, com....	6	Mar.	3	Sept.	12	Jan.	3	Dec.	16	Feb.	4	Nov.	10½	Mar.	5	Dec.	21	Jan.	5	Sept.	40	Jan.	25	Aug.	...	...	...	...
National Steel Car, pref....	28	Jan.	22	Jan.	41½	Mar.	21	Dec.	59	Mar.	18	Jan.	40	Sept.	20	Jan.	78	Jan.	17	Oct.	94	Feb.	80	Oct.	...	...	...	...
Dominion Park	...	....	...	....	...	....	...	....	100	June	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Dominion Telegraph	85	Jan.	32½	June	91¾	Feb.	80	Dec.	90¾	Dec.	85	Mar.	...	....	...	....	90	Jan.	89	Feb.	90	Nov.	86	Nov.	...	*100	102½	99⅛
Dominion Textile, com.	142¾	Dec.	101	Jan.	146½	July	96½	Dec.	125⅞	July	100	Feb.	100½	Dec.	80¾	Jan.	89	May	76½	Feb.	90⅛	Oct.	74⅛	Jan.	77	64	86⅝	60
Dominion Textile, pref. ...	105	Nov.	89½	Jan.	105	July	89	Dec.	108	Mar.	101	Jan.	102	Sept	100	Jan.	105	Apr.	99½	July	105	Sept.	101	Jan.	103	101	106½	100
Dominion Steel Corp. pfd..	49	Jan.	22	June	82½	Mar.	39	Dec.	75¼	Dec.	58¾	Feb.	65	Aug.	53	Jan.	71¼	Jan.	50¾	Dec.	82	Dec.	43	Feb.	51	19⅞	41⅞	19⅞
Dominion Steel Corporation	74½	Mar.	51	Aug.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Dominion Coal, pref.	79	Feb.	63½	Jan.	97½	Jan.	70	Dec.	100	June	95	May	95	June	94¼	Jan.	96⅛	Jan.	85	July	99	Jan.	93	July	99½	98	106	97½
Dominion Iron & Steel, pr	78	Apr.	56½	Oct.	92	Jan.	65	Dec.	100	May	91	Sept.	98	Sept.	88	Jan.	95	Jan.	87½	Oct.	105	June	90	June	95	71	94	68
Duluth-Superior	26	May	12¾	Feb.	28	Jan.	12	Sep.	32⅛	Oct.	27⅞	Dec.	42	Jan.	41	Jan.	51	Feb.	40	Aug.	49	June	37	Dec.	60	55	67	55
Electrical Development, pre	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Ford Motor Car	340	Mar.	260	Nov.	380	Oct.	310	Nov.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Goodwin's, Limited, com. ..	25	Mar.	23	Dec.	35	Apr.	26	Mar.	28	Dec.	10	Feb.	15	Sept	11	Sept	...	....	...	....	40	July	40	July	28	26	28	23
Goodwins, Limited, pref. ..	70	Mar.	65	Dec.	95	Apr.	75	Oct.	80	Dec.	45	Jan.	45	Dec.	45	Dec.	45	Mar.	45	Mar.	75	May	40	July	...	*75	82	74
Gould Mfg. Co., com.	100	Dec.	100	Dec.	118½	Dec.	118½	Dec.	...	....	...	....	100	Dec.	100	Dec.	100	Apr.	100	Apr.	...	....	...	....	...	*90	97¾	97¾
Gould Mfg. Co., pref.	100	Dec.	70	Sept.	100	Mar.	100	Sep.	...	....	...	....	100	Aug.	100	Aug.	100	Oct.	100	Oct.	...	....	...	....	...	*90	...	...
Holt, Renfrew, com.	15	Apr.	15	Apr.	70	Jan.	62	Feb.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Holt, Renfrew, pref.	...	....	...	....	85	Jan.	80	Mar.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Hillcrest Collieries, com. ..	66½	Nov.	50	July	63	Jan.	55	May	65	Dec.	35	Jan.	40	Sept	15	May	15	June	14¾	May	...	....	...	....	...	*24	45	21
Hillcrest Collieries, pref. .	76	Apr.	68	Dec.	...	....	...	....	83	Nov.	75	Mar.	...	....	...	....	...	....	...	....	...	....	...	....	70	70	88¼	70
Hollinger Gold Mine	7.95	Nov.	5.57	Jan.	...	....	...	....	7.65	May	6.15	Jan.	6.35	Dec.	4.55	July	5.25	Sept.	3.40	June	30.25	Nov.	25.25	Nov.	29.50	17.85	19.25	15.25
Illinois Traction, pref.	71¼	Feb.	65	Jan.	70	Jan.	64	Nov.	80	Feb.	67	Nov.	80	Jan.	80	Jan.	89	Feb.	79	Oct.	91	Jan.	87¾	Oct.	93	91	95	90
Inter. Petroleum	...	....	...	....	82	Mar.	20	Oct.	62.00	Dec.	19.25	Jan.	20.50	Dec.	13.00	Feb.	15.30	Mar.	11.60	Feb.	...	....	...	....	...	...	...	...
Intercolonial Coal, pref. ...	...	....	...	....	...	....	...	....	60	Mar.	58	Feb.	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Kaministiquia Power	93	Jan.	80	Sept.	97	Aug.	83½	Mar.	...	....	...	....	120	Sept	120	Sept	...	....	...	....	...	....	...	....	...	*121	...	...
Lake Superior Corporation	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	24	Mar.	10¼	Nov.	...	....	...	....	9⅞	†9⅞	22⅝	16⅝
Lake of Woods, com.	155	Jan.	127½	July	220	July	130	Nov.	229⅛	Nov.	157	Mar.	169	Dec.	120⅛	Jan.	130	Jan.	120	Oct.	136½	Sept.	122	Sept.	137	129	135	127
Lake of Woods, pref.	105	Dec.	94	Jan.	112	Aug.	93½	Dec.	110	Nov.	106	Jan.	110	Apr.	100	May	116	Jan.	116	Jan.	129	July	116	Oct.	122	120	120	120
La Rose Con. Mines Co. ..	37	Oct.	15	June	53½	Mar.	25	Dec.	51	Dec.	30	Apr.	68	Mar.	29	Jan.	57	Sept.	40	June	90	Nov.	55	Nov.	87	45	196	70
Laurentide Company	95	Jan.	62	Aug.	125	July	81	Dec.	276	Dec.	192	Jan.	198	Dec.	152	Jan.	195	Jan.	152	Oct.	217⅛	Nov.	176	Mar.	198	160	192⅝	160
Lyall Construction, com. ..	75	Jan.	32½	Dec.	99	Feb.	35	Dec.	165	Nov.	64	Apr.	85½	Sept	63	Jan	80	Mar.	53	Sept.	93	June	25	Jan.	32	39	...	...
Macdonald Co., A, com. ...	25	Jan.	9¾	Dec.	44¼	Jan.	19	Dec.	44¾	Dec.	21½	Jan.	23	Oct.	13½	Jan.	15½	Mar.	8	Jan.	19½	April	10	Jan.	14	†7	21⅝	8
Mackay, com.	82¾	Nov.	69	Jan.	79½	Mar.	67¼	Sep.	8[illegible]	May	71½	Jan.	79¾	Sept.	72½	Jan.	90	Feb.	70¾	Nov.	87	Oct.	78	April	84¼	71	88	57⅝
Mackay, pref.	67	Dec.	60	June	74	Feb.	61	Dec.	[illegible]	Dec.	64¼	Jan.	65¾	Apr.	56⅛	Jan.	68	Jan.	59	Nov.	69¼	June	64½	Dec.	70¼	65	71	65⅛
Maple Leaf, com.	146	Jan.	109	Nov.	196	Jan.	133	Nov.	2[illegible]	Oct.	121½	Jan.	140	Nov.	91	Jan.	115	Mar.	90	Feb.	122	Nov.	60	Jan.	68	30½	47⅞	25
Maple Leaf, pref.	100¼	Dec.	93	Jan.	104	Jan.	92	Dec.	107	June	96¼	Jan.	98½	Dec.	91½	Jan.	103	Feb.	91¾	Aug.	108	Oct.	93	Aug.	98	88	101	88
Mexican L. & P., com.	7	Sept.	5	Oct.	...	....	...	....	18	June	...	....	20	Oct.	18	Oct.	...	....	...	....	15	Aug.	15	Aug.	46	46	49⅞	32⅛
Mexican L. & P., pref.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
M., St. P. & S. S. M., com. .	...	....	...	....	...	....	...	....	...	....	...	....	90	Mar.	80⅛	Jan.	119	Jan.	78½	Nov.	...	....	...	....	126¾	116½	184¾	101
M., St. P. & S. S. M., pref. .	...	....	...	....	...	....	...	....	...	....	...	....	109	Mar.	104⅞	Apr.	127	Apr.	120	April	...	....	...	....	...	...	...	...
Monarch Knitting, com. ..	...	....	...	....	75	June	60	Jan.	65	Nov.	50	Jan.	46	Nov.	39	Feb.	40	Jan.	30	Oct.	40	May	25⅛	Jan.	27	25	40	25
Monarch Knitting, pref. ...	80	Jan.	75	July	90	Feb.	85	Oct.	92	June	78	Jan.	80½	Oct.	75	Jan.	81	Jan.	80	Jan.	83	July	80	June	82	82	92	82
Montreal Cottons, com. ...	80	May	75	July	87	Jan.	78	Oct.	85	Dec.	58⅜	Jan.	61	Sept	50	Mar.	58½	Jan.	49	June	63	Oct.	50	Sept.	56	51	55	50
Montreal Cottons, pref. ...	104	Nov.	87	Mar.	105	Apr.	90	July	105	Nov.	100	Jan.	100	Mar.	99½	Jan.	103	Jan.	99	July	115	Nov.	99	Jan.	100½	99	103	97⅝
Montreal L., H. & Pr., Cons	89½	Dec.	77¾	June	...	....	...	....	95	July	84½	Feb.	88½	Sept.	68¼	Jan.	82⅞	Jan.	67½	Dec.	...	....	...	....	...	...	...	...
Montreal Power	...	....	...	....	...	....	...	....	...	....	...	....	82	Aug.	76	May	...	....	...	....	249¾	May	218	Mar.	241½	211	230	211
Montreal Telegraph	114	Feb.	43½	May	124	Jan.	110	Dec.	125	July	120	Jan.	120	Jan.	120	Jan.	138	Jan.	115	Sept.	136	Jan.	135	Dec.	...	*136	140	134
Montreal Tramways	151	Dec.	105	Aug.	155	Jan.	125	Nov.	160	Dec.	114¾	June	150	Feb	150	Feb.	181	Jan.	144	May	200	July	180	Dec.	220	220	230	190
National Breweries	59⅜	Dec.	36½	Mar.	70	July	39¼	Dec.	199	Dec.	15	Feb.	...	....	...	....	...	....	...	....	...	....	...	....	...	*49⅛	83	76
National Breweries, pref. .	90	Mar.	85	Dec.	97	Jan.	93	June	99½	July	53	Jan.	...	....	...	....	...	....	...	....	75	Oct.	75	Oct.	...	*95	...	...
Nipissing Mines Co.	9.50	Feb.	4.35	July	13.75	Jan.	8.40	Dec.	14.20	Dec.	8.25	Jan.	9.30	Dec.	8.00	Jan.	9.50	Sept.	6.95	July	9.20	Dec.	6.40	Nov.	8.70	5.25	...	...
Northern Ohio Tract.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	73	73	...	...
Nova Scotia Steel, com. ...	44	Feb.	24	July	80	Jan.	33½	Dec.	97	June	48	Mar.	71½	Aug.	63½	Mar.	128	Jan.	66	Dec.	154½	Nov.	93¼	Feb.	107	45¾	79	39
Nova Scotia Steel, pref. ..	88½	Apr.	80	Feb.	107	Feb.	75	Nov.	112½	July	104½	Mar.	103	June	100	Jan.	112	Jan.	105	June	115	Mar.	110	Jan.	120	110	120	110
Ogilvie Flour, com.	214	Feb.	165	Sept.	280	Jan.	175	Dec.	298	Nov.	194	Mar.	205	Dec.	140	Jan.	158	Sept.	137	Feb.	152	Sept.	127⅞	June	144	107	123	107
Ogilvie Flour, pref.	106	June	99	Jan.	105½	Apr.	97	Nov.	110	Feb.	104½	Dec.	111	May	100	Jan.	115	Jan.	107	Oct.	116	Jan.	44⅛	July	120	113	117	105
Ontario Steel Products	70	Jan.	32	June	89	July	50	Mar.	58	Dec.	27	Apr.	35	July	22½	Jan.	34	Jan.	18	Mar.	45	Nov.	19	Jan.	27	15¾	172	124
Ontario Steel Products, pre	88	Feb.	60	Aug.	89½	Jan.	89	Jan.	90	Nov.	75	May	78	July	73	July	74	Apr.	74	April	91½	Oct.	73	Mar.	74½	72½	...	...
Ottawa L., H. and P.	72½	Feb.	60	Aug.	81	Apr.	70	Dec.	87	Oct.	75	Jan.	86	Sept	69	Jan.	92	Jan.	69¾	Oct.	95¼	Nov.	92	Dec.	123	120	...	...
Port Hope Sanitary, com...	...	....	...	....	27	Sep.	25	July	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Pacific-Burt, com.	37	June	30	Apr.	42	Jan.	30¼	Oct.	40	Dec.	25	May	34	July	34	July	40	Mar.	28	Jan.	29	Jan.	20	Oct.	31	28	32	28
Pacific-Burt, pref.	81	Mar.	72	Aug.	85	Jan.	76	July	85	Oct.	75	Mar.	77¼	Mar.	77¼	Mar.	82	June	79	Oct.	83¼	Jan.	77½	Nov.	85	80	85	80
Paton Mfg. Co.	...	....	...	....	...	....	...	....	...	....	...	....	124	June	124	June	130	Apr.	124	Sept.	102½	July	102½	July	...	*65	...	...
Penmans, com.	104	Nov.	91	Sept.	148½	July	93	Dec.	112⅛	Dec.	77½	Jan.	84	Oct.	65	Jan.	73½	Mar.	64	Oct.	78	Oct.	60	Jan.	62	49	55½	40
Penmans, pref.	87	Jan.	78	Jan.	91½	Feb.	74	Dec.	98½	Oct.	82¾	Feb.	85¼	Nov.	81½	Sept	86	Apr.	81½	Jan.	90	Aug.	82	Jan.	83	82	84¼	79½
Porto Rico Rys.	46	Feb.	35	Sept.	50	June	28½	Jan.	35	Feb.	23	Dec.	37	Aug.	25¼	May	42	Jan.	30	Oct.	49½	June	30	Dec.	51	45	71	45
Porto Rico Rys., pref.	81	Apr.	64	Jan.	79	Aug.	60	Dec.	...	....	...	....	...	....	...	....	80	July	80	July	90	Aug.	...	....	...	*100	60	60
Price Bros. & Co., com. ...	253	Jan.	24	Sept.	385	Nov.	250	Dec.	260	Nov.	150	Jan.	151	Oct.	120	Feb.	134	July	115	Mar.	132	Nov.	60⅛	May	...	*60	...	...
Provincial Paper, com.	102	Feb.	87¾	Feb.	132	Apr.	80⅛	Feb.	83	Oct.	51	Apr.	49	Dec.	46	Dec.	51¾	May	50	Apr.	57	Dec.	56	Dec.	...	...	...	...
Provincial Paper, pref.	87¾	Jan.	83	Oct.	100	July	85	Dec.	90	May	85	Apr.	78	Oct.	78	Oct.	81	Aug.	78	Oct.	...	....	...	....	...	...	...	...
Quebec Ry. Co.	29½	Feb.	22¼	Jan.	36¾	July	18	Dec.	30½	Dec.	16½	Feb.	22½	May	15	Jan.	35½	Jan.	14¾	Oct.	45	Dec.	14	Jan.	20½	†9⅛	16⅝	10
Riordon P. & P., com.	159	Jan.	1½	Aug.	226	July	126⅞	Dec.	191	Dec.	119¼	Jan.	123	May	117¼	Feb.	127	Jan.	106	Feb.	150	Nov.	59	Aug.	...	*75	113	82
Riordon P. & P., pref.	80	Jan.	7	Nov.	101½	Feb.	83	Dec.	100	June	94	Jan.	97	Jan.	92½	Feb.	95	Jan.	90	Jan.	96	Nov.	92	Dec.	...	...	...	...
Rogers, com.	56	Apr.	50	May	71	Jan.	52	Aug.	80	Oct.	25⅛	Mar.	...	....	...	....	80	Feb.	40	Nov.	99	Mar.	85	May	103	96	147	96
Rogers, pref.	94	Mar.	73	Aug.	102	Feb.	80	Dec.	95⅛	Nov.	65	Mar.	...	....	...	....	92	Jan.	90	Feb.	99	Jan.	87	Sept.	99	99	106	99
Russell Motor, com.	50	Oct.	50	Oct.	89	Jan.	70	July	102¼	Oct.	68	Feb.	90⅞	Oct.	55	Mar.	92	Jan.	50	Oct.	114	Dec.	32	Feb.	50	10	20	5
Russell Motor, pref.	65	Jan.	46	Jan.	98	Jan.	40	Dec.	109	Oct.	70	Jan.	91⅛	Oct.	68¼	Feb.	122	Apr.	72	Oct.	139	Nov.	66	Jan.	76	25	49	25
St. Maurice Paper	120	Jan.	80	Sept.	170	Sep.	123	Dec.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...
Sawyer-Massey, com.	19	Feb.	6	Aug.	20	Apr.	13	Nov.	22	July	8	Apr.	13	Dec.	10	Mar.	24	Mar.	8	May	30	April	20	July	33	25	30	25
Sawyer-Massey, pref.	54	Jan.	27	Nov.	67¼	Mar.	35	Dec.	67	Dec.	30	Apr.	40	Jan.	40	Jan.	41	Oct.	40	Dec.	134½	Oct.	68	Mar.	76	69	88	69
Shawinigan W. and P.	109½	Jan.	100	June	119½	Jan.	97½	Dec.	127½	May	114½	Jan.	118½	Sept	105	Jan.	130½	Jan.	107	Oct.	137	Oct.	126¾	Dec.	139½	110	142¾	110
Sherwin-Williams, com. ...	90	May	72	Feb.	119	July	75	Apr.	80	Dec.	60	Jan.	60	Feb.	60	Feb.	60	Oct.	56	Feb.	99½	July	53½	Nov.	57	55	60¾	53
Sherwin-Williams, pref. ...	95	Mar.	87	Jan.	100	Jan.	85¾	Dec.	102	June	90	Oct.	100	Apr.	99	Mar.	100	Jan.	98	Jan.	100	Jan.	97½	Sept.	100	98¼	108½	95
Shredded Wheat, com.	132	Dec.	120	May	142	Jan.	130¼	Sep.	147	Oct.	124	Mar.	112	Sept	100	Aug.	137¾	Mar.	112	Oct.	140½	Nov.	102¼	Jan.	102	92	[illegible]	78
Shredded Wheat, pref.	93	Aug.	93	Aug.	98	Apr.	98	Apr.	90	Apr.	89	Jan.	92	Sept	87	May	95	Feb.	95	Feb.	120	June	95	Jan.	99	93	[illegible]	92½
Spanish River, com.	89½	Jan.	44	June	129	July	75	Feb.	90½	Dec.	17	Jan.	20	Oct.	12¾	Jan.	19	Jan.	12½	Aug.	24¼	Nov.	3½	Jan.	9⅝	†3	18⅝	9
Spanish River, pref.	95	Jan.	51⅞	June	149	June	82	Dec.	130½	Dec.	63½	Jan.	64¾	Dec.	50	Feb.	59¼	Jan.	47	Aug.	70	Nov.	29	July	35	35	31	31
Steel Co. of Canada, com. .	65	Nov.	42½	June	88½	Jan.	54¾	Dec.	88¼	Dec.	57½	Feb.	74¼	Aug.	49¾	Jan.	71½	Jan.	47½	Nov.	88¼	Dec.	34¾	Jan.	48	†8	20	11
Steel of Canada, pref.	93⅛	Oct.	84	July	101½	Jan.	85¾	Dec.	110	Dec.	91⅛	Mar.	98	Sept	84	Jan.	100½	Jan.	84½	Oct.	107¼	Dec.	82½	April	...	...	...	...
H. Smith Paper, com.......	110	Jan.	60	July	167	Sep.	74¾	Apr.	151	Dec.	65	Feb.	66	Oct.	65	Feb.	74½	May	65	Sept	...	....	...	....	...	...	...	...
H. Smith Paper, pref.	92¼	Feb.	64	Aug.	107½	Oct.	91	Dec.	99½	Nov.	78	Feb.	80	Nov.	73¼	July	...	....	...	....	...	....	...	....	...	...	...	...
St. Lawrence Flour, com. ..	75	Jan.	47	July	139	Jan.	59	Dec.	151	Dec.	87½	Mar.	96¾	Oct.	50	Mar.	...	....	...	....	...	....	...	....	...	...	...	...
St. Lawrence Flour, pref. ..	95	Nov.	85	Jan.	98½	May	92	Jan.	98	Dec.	80	Feb.	85	Aug.	80	Mar.	...	....	...	....	...	....	...	....	...	...	...	...
Tooke Bros., com.	57	Jan.	37½	Sept.	86	July	67	May	73	Oct.	20	Mar.	30	Sept	15	July	...	....	...	....	25	April	16	Mar.	91½	69	[illegible]	[illegible]
Tooke Bros., pref.	78	Feb.	65	Apr.	91	Mar.	83	Feb.	92½	Sept.	70	Feb.	77	Sept.	72½	Aug.	79	Jan.	70	Aug.	83	Nov.	78	Nov.	18	16	26	15
Toronto Ry.	80	June	58¾	Mar.	65	Dec.	35	Aug.	55	Jan.	39	June	63	Feb.	58	Jan.	90½	Mar.	58½	Oct.	111	Jan.	72	Dec.	39½	35	61	30
Trethewey Mine	20½	Jan.	6	Dec.	51½	Jan.	16	Dec	50	Dec.	28	Aug.	27¾	Sept	13½	Jan.	...	....	...	....	30	Nov.	17	Nov.	117½	111	144¾	110
Tri-City, pref.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	17	10½	29	15
Tuckett Tobacco, com.	52	Feb.	32	July	57½	Jan.	41	Dec.	60¾	Oct.	22	Jan.	24¼	Dec.	18½	Aug.	22½	Jan.	17	Oct.	25	Nov.	23½	Nov.	89	89	...	...
Tuckett Tobacco, pref. ...	83	Jan.	75	Sept.	93	Mar.	81¼	Dec.	91½	Sept.	80	Jan.	82½	Sept.	72¾	Sept.	83½	Jan.	78	April	90	Jan.	85¾	Oct.	29¼	29	47	29
Twin City, com.	61½	Mar.	34	Dec.	49	Nov.	31½	July	58	June	36	Dec.	65½	Jan.	39½	June	95	Jan.	63	Dec.	101	May	93⅜	Dec.	90	90	101	90¼
Wayagamack	89	Jan.	87	Aug.	150¼	Oct.	71	Feb.	90	Oct.	46	June	55	Dec.	50	Jan.	97	Jan.	50	Aug.	112⅛	Nov.	50	Jan.	...	...	...	...
Western Canada Flour ...	125	Mar.	110	Dec.	145	Jan.	105	Apr.	160	Sept.	140	July	...	....	...	....	...	....	...	....	118½	Nov.	102	Nov.	101	93	108½	93⅜
West India Electric	80	Dec.	80	Dec.	...	....	...	....	...	....	...	....	...	....	...	....	77	Feb.	77	Feb.	...	....	...	....	...	*75	...	...
West Kootenay	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	*94	...	...
West Kootenay, pref.	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	*102	...	...
Windsor Hotel	145	Jan.	75	Oct.	100	Dec.	70	Oct.	80	Oct.	60	July	...	....	...	....	...	....	...	....	...	....	...	....	...	*100	...	...
Winnipeg Electric	48	Feb.	30	Aug.	38	Apr.	26	Jan.	49	Mar.	35	Jan.	48	Jan.	48	Jan.	81	Jan.	36	Aug.	110	June	90	Oct.	186½	180	210½	180
Wabasso Cotton	52	Dec.	41	July	135	July	48	Dec.	107	Sept.	58	Jan.	61	Nov.	21	Apr.	...	....	...	....	...	....	...	....	...	*90	...	...
Woods Manufacturing, com.	60	Dec.	60	Dec.	110	Jan.	98½	Aug.	115½	Nov.	86¼	Jan.	98	Oct.	57¼	Mar.	61	Nov.	44	Aug.	65	Dec.	33	April	...	...	18	18
Woods Manufacturing, pref.	78½	Mar.	63	Oct.	86	Apr.	78¼	Oct.	90	Mar.	83¼	July	86	Aug.	83½	Nov.	86	Nov.	80	April	101	June	84	Nov.	45	20	...	...

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*Indicates the minimum quotation where no figures of transactions are available. ‡Indicates stocks which were under 15 points when the markets closed, and, therefore, free of the minimum.

Range of Prices of Bank Stocks for the Past Eight Years on the Montreal and Toronto Stock Exchanges

Name.	1921				1920				1919				1918				1917.				1916				1915.				1914.	
	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Low
Commerce	200	Jan.	179¾	Jan.	199½	Jan.	173¼	Sep.	215	Jan.	195	Dec.	202	Dec.	183¼	Jan.	188	Feb.	182½	Dec.	203	Jan.	183	Oct.	205	Apl.	203	Jan.	218	199½
Dominion	204	Jan.	185	July	206	Mar.	190	Dec.	219	Jan.	199¾	June	209½	Dec.	199	Jan.	212⅛	Jan.	202	Nov.	220	Sept.	204	June	229½	Jan.	227	Jan.	233	218
Hamilton	185	Jan.	168½	Nov.	194	Jan.	168	Dec.	209	Jan.	181½	May	188⅛	Dec.	184	Feb.	192	Mar.	184	Oct.	197	June	146¾	June	208	Aug.	201	Jan.	207	198
Hochelaga	158	Sept.	148	Dec.	158½	June	151	Dec.	160	July	147	Jan.	143	Dec.	140	Jan.	145	Jan.	140	Oct.	149	Jan.	145	July	150	Jan.	149	Jan.	155	149
Imperial	191	Apr.	174	Dec.	200	Jan.	184	Dec.	210	Jan.	196	Dec.	202½	Dec.	185	Jan.	200½	Jan.	185	Oct.	203	July	180	Jan.	214	Jan.	210	Jan.	218	210
Merchants	182	Jan.	163	Nov.	203	May	158	Dec.	202½	Apr.	180	Jan.	180	Dec.	167	Jan.	170	Jan.	167	July	180	April	150	Oct.	180	Jan.	180	Jan.	191	177
Molsons	180	Feb.	168½	Jan.	194	May	169	Dec.	200	Jan.	179½	Jan.	179⅞	Mar.	179⅜	May	186	May	179½	Jan.	195	Dec.	182	Dec.	202	Jan.	200	Jan.	205	194¼
Montreal	215½	Dec.	195½	Jan.	220½	Apr.	185	Oct.	225	Apr.	207	Nov.	218½	Dec.	210	Jan.	234	Jan.	210	Oct.	240½	June	219	Oct.	240	Apl.	234	Jan.	249	229⅛
Nationale	180	Apr.	130	Dec.	174	Oct.	162¾	Mar.	160	Sept.	160	Sept.	148	Aug.	148	Aug	149	July	134	Feb.	134	Dec.	134	Dec.	132¾	Aug.	132¾	Aug.	133¼	131
Nova Scotia	265	Jan.	247	Sept.	273	Jan.	243	Sep.	278	July	255	Jan.	251½	Dec.	248	Jan.	257½	Mar.	248½	Oct.	261	Jan.	254	Oct.	265	Jan.	261	Jan.	265	257
Royal	206	May	193½	Jan.	233½	May	189½	Nov.	218½	Nov.	205	Feb.	215	Dec.	205	Jan.	214	Feb.	208	Oct.	221¼	Jan.	210	Sept	223	Jan.	221¼	Feb.	228	218
Standard	206	Dec.	198	Jan.	222	Mar.	200	Dec.	217	July	204¾	Apr.	208⅜	Dec.	200	Jan.	215	Jan.	200	Oct.	221	Sept.	221¼	Oct.	220	Apl.	215	Jan.	223½	208½
Toronto	192	Jan.	177	May	197	Jan.	179	Dec.	205	Feb.	193	Jan.	193½	Dec.	184¼	Jan.	192	Jan.	187½	Sept.	215½	April	190	Nov.	211	Jan.	207	Jan.	215	203
Union	160⅛	Jan.	140	Dec.	161	Jan.	139	Nov.	171	Jan.	157½	Feb.	162	July	137	Jan.	142	July	135	Oct.	140	Jan.	132	Aug.	140½	Jan.	140	Jan.	147½	138⅞

*Minimum in all cases.

Range of Prices of Loan Company Stocks on the Montreal and Toronto Stock Exchanges

Name.	1921				1920				1919				1918				1917.				1916.				1915.				1914.	
	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	*Low	Date	High	Low
Canada Landed	68¼	May	63½	Aug.	150⅛	Feb.	110	Aug.	149	Feb.	138	Oct.	148¾	Dec.	140	Nov.	160	Jan.	150	Dec.	163	Sept.	157¼	Jan.	..	....	157½	....	170	155
Canada Permanent	19	Feb.	16¼	Nov.	178	Mar.	157	Aug.	176	June	167	Jan.	169½	Nov.	162½	Nov.	173	Mar.	162½	Dec.	183	Jan.	168⅝	Dec.	..	....	183	....	192½	183⅞
Central Canada	...	...	...	...	...	....	...	....	150	Dec.	150	Dec.	...	....	...	....	...	...	...	...	...	....	...	....	..	....	190	....	...	...
Col. Inv. & Loan, prf	7	...	5	...	82	Sep.	67	Aug.	81	June	67	June	69	Nov.	63	Nov.	77	Jan.	63	Oct.	76	Dec.	70	July	..	....	78	....	83	78
Dominion Savings	35	Mar.	35	May	72	May	72	May	45	Apr.	45	Apr.	76	Apr.	75	Mar.	...	...	...	...	80	Mar.	80	Mar.	41	....	78½	....	78	77
Great West Perm.	...	...	...	...	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...	...	....	...	....	*89½	....	..	....	128	126
Hamilton Provident	140	Jan.	140	Jan.	146	Apr.	145	Nov.	146	Sept.	146	Sept.	133	Nov.	121	Feb.	142	Mar.	137	Aug.	140	Mar.	138	Sept	140	....	134	....	140	137
Huron & Erie	110	Aug.	109½	Aug.	113½	May	110	Oct.	218	May	...	....	204	May	202	May	211	June	205	Oct.	214	June	209	Jan.	207	....	205	....	212	210
Ld. Bank. & L.	137	Jan.	136	Oct.	142	Mar.	141	Dec.	142	May	140	Sept.	141	May	140	Nov.	143	Oct.	143	Oct.	145	Sept.	144	June	149	....	140	....	146	143
Lon. & Canadian	120	Feb.	115	Jan.	126	May	110	Nov.	127	Feb.	118	June	126½	Apr.	126½	Apr.	132	Feb.	128½	Nov.	135	Nov.	132	Jan.	131	....	130	....	138	125
Montreal L. & Mortg	41¼	Feb.	35	Oct.	165	May	155	Dec.	155½	July	150	Sept.	152	Dec.	...	....	165	Jan.	162½	June	175	July	160	May	..	....	165	....	175	175
National Trust	200	Apr.	190	Dec.	230	June	198	Dec.	205	Sept.	200	May	...	....	...	....	212	May	207½	Oct.	210	Nov.	210	Nov.	..	....	218	....	230	225
Ontario L. & Deb.	80	Feb.	76¾	Oct.	160	May	155	Oct.	160	Mar.	155	Mar.	...	....	...	....	175	Jan.	175	Jan.	175	Nov.	169	Jan.	169	....	..	....	173	173
Real Estate	92	May	85	Aug.	95	Jan.	92	Oct.	100	July	98	Oct.	...	....	...	....	...	...	...	...	...	....	...	....	..	....	..	....	103	102
Toronto Gen. Trust.	201	Dec.	180	Jan.	211	Mar.	196½	Nov.	220	Sept.	207	Dec.	204	Nov.	199¾	Feb.	215	Feb.	200	Nov.	212	Nov.	205½	Mar.	208	....	..	....	204	189
Toronto Mortgage	66½	May	62½	June	135	May	129½	Jan.	135	June	131	Nov.	134	Nov.	...	....	140	Jan.	136	Aug.	140	Dec.	134	Feb.	..	....	134	....	140	137
Toronto Savings	...	...	...	...	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...	...	....	...	....	..	....	..	....	...	...
Union Trust Co.	105	Feb.	60	Nov.	...	....	...	....	...	....	...	....	...	....	...	....	...	...	...	...	...	...	...	...	..	....	..	....	...	...

LOWER PRICES DRUGS SMALLER IN VOLUME

Trade Has However Been Holding Up Comparatively Well

By W. C. A. MOFFATT,
Editor, Druggists' Weekly.

Despite the fact that druggists as a class could not, by any stretch of the imagination, be classed with the profiteers, it would be too much to expect that the drug trade could come unscathed through the readjustment period; a general decline was inevitable. Because of this and because, too, the public demand has contracted, the druggists' volume has dropped considerably. Take the month that has just passed, as an example. Comparing December, 1921, with December, 1920, it is not going too far to say that the average drop has been in the neighborhood of 13 per cent. The percentage in some stores has gone as high as 25 per cent.

Nor is it hard to understand the reason for this. In December, 1920, the public had not got over the habit of spending freely. Last month, though, necessity played a big part in their activities. They had not the money to spend. With this obstacle to surmount, together with lowered prices, the druggist's task to maintain his volume was no easy one. It meant considerably augmented effort to land enough sales to make up for the decline in buying power and prices.

Prescription charges, which were brought to their present level only through the general realization on the part of the public that drugs and chemicals in many cases shot skyward in the war period are being well maintained but the drop in candy has been felt more, perhaps, than any other thing. With the druggist getting only a dollar now for candy which a year ago brought a dollar and a quarter, and with camphorated oil bringing in only fifteen cents whereas a year ago it brought a quarter, the average druggist has been compelled to put a good deal more force in his sales effort to make his returns come anywhere near where they were a year ago.

"Our volume is lower but our overhead is just as great." This is the way the average druggist sums up the situation, pointing out that the druggists have not followed the practice of reducing wages. Where clerks have ended their apprenticeship and gone off to pursue their studies at the different pharmaceutical colleges juniors have been taken on, of course, at a lower salary, but no other steps have been taken to cut down overhead.

As for 1921 the feeling prevails that business will not show any particularly noticeable slump. There has been a tendency on the part of the manufacturer to assist the druggist in his selling campaigns and there are evidences to-day of a growing tendency of this nature. It is probable that the manufacturer and dealer will co-operate in 1922 as never before.

Concerning the prices of drugs and chemicals it is altogether likely that these may even rise rather than fall still further. In many cases now pre-war figures hold good.

It is encouraging to note that some pharmaceutical manufacturers are beginning the year with a go-get-it policy, one Canadian firm having already doubled its sales effort by doubling its staff of representatives. That the year which has just been ushered in will see a continuous improvement in business conditions is honestly believed. Another period of careless buying of goods which might be classed as luxuries is not looked for but rather a continuous improvement in the purchasing of staple necessary lines.

The necessity of getting prices back to a pre-war level is generally realized and not a few members of the trade are capitalizing any action that they may take in this respect. In their advertisements and through price tickets they are notifying the public that they need wait no longer for prices to come down. In this way they are giving notice that the drop has come and at the same time offering the assurance that it will cost no more to buy now than it will later.

On the whole, Canadian Pharmacy has held its own remarkably well in a difficult period. The business mortality list has grown not a little in the year that has just gone but, considering the wide range of lines carried, the surprising feature is that the list is not a good deal more formidable.

IRELAND AS A FARM

Economic Future Lies in Producing Food Stuffs

Ireland's future prosperity lies primarily in supplying food to the great industrial centres and consuming markets of Great Britain and the continent, the National Bank of Commerce says in the January number of its magazine, Commerce Monthly. Ireland's advantage is in agriculture, and the greatest possibilities for industrial development lie in the manufacture of foodstuffs from home-grown materials.

The Canadian National Fire Insurance Co.
HEAD OFFICE, WINNIPEG, CANADA

Authorized Capital - $3,000,000
Paid-in Capital - - 1,875,000
Subscribed Capital - 2,050,400
Assets - - - 2,700,000
Surplus to Policyholders 2,200,000

Board of Directors:
President: J. H. G. Russell
Vice-Presidents: Major D. E. Sprague, O.B.E.; F. H. Alexander
Managing Director: W. T. Alexander
E. L. Taylor, K.C.
W. J. Boyd
Dr. A. D. Carscallen
Hon. A. C. Rutherford, Edmonton
S. D. Lazier, Montreal
F. N. Darke, Regina
Andrew Gray, Victoria
Thos. S. McPherson, Victoria

General Fire Insurance Business Transacted

AGENCIES:
Toronto Office—24 Adelaide Street West.
Victoria, B.C.—R. W. Perry.
Vancouver, B.C.—Bell & Mitchell, Ltd., Rogers Building.
Calgary, Alta.—Prairie City Agencies, Ltd.
Edmonton, Alta.—Allan, Killam, McKay, Green, Alberta, Ltd.
Regina, Sask.—Bell & Mitchell, Ltd.
Saskatoon, Sask.—Trotter & Co.
General Agent Nova Scotia—A. J. Bell & Co., Halifax.

A Canadian Company Investing Its Funds in Canada

The Great West Permanent Loan Co.
HEAD OFFICE: Great West Permanent Building, Winnipeg, Canada

Paid-up Capital & Reserves:
$3,514,663.60

Board of Directors:
PRESIDENT
W. T. ALEXANDER
MAJ. D. E. SPRAGUE, O.B.E. E. L. TAYLOR, K.C.
S. D. LAZIER
HON. A. C. RUTHERFORD J. H. G. RUSSELL
DR. A. D. CARSCALLEN
W. J. BOYD
F. H. ALEXANDER, Secretary

BRANCHES AT
Toronto, Calgary, Edmonton
Regina, Vancouver,
Victoria, Edinburgh, Scot.
London, Eng.

Short Term Debentures Issued to Yield 5½%

4%—Compounded Quarterly on Deposits

The Imperial Canadian Trust Company
HEAD OFFICE, WINNIPEG, CANADA

Incorporated by Special Act of the Legislature of Manitoba

Licensed under the Laws of the Provinces of Saskatchewan, Alberta and British Columbia

Authorized Capital - - $3,000,000
Subscribed Capital 1,171,700
Paid-up Capital & Reserve - 1,196,349
Total Assets - - - - - - - - 8,227,563

Directors:
President: E. L. Taylor, K. C.
Vice-President: W. J. Boyd

Major D. E. Sprague, O.B.E., J. H. G. Russell, A. B. Carscallen, M.D., W. T. A. Alexander, Stephen D. Lazier, F. H. Alexander, James Short, K.C., The Hon. A. C. Rutherford, K.C., R. T. Elliott, Thomas S. McPherson.
General Manager - - - W. T. Alexander

AUTHORIZED TO ACT AS
Executor, Trustee, Administrator, Guardian, Receiver, Assignee, General Financial Agents

Branches at VANCOUVER, VICTORIA, CALGARY, EDMONTON, REGINA, SASKATOON

OPEN COMPETITION SHOULD BE AID IN RESTORING TRADE

Trade Organizations Should Not Restrict Fair Dealing

PRICE AGREEMENTS

Are Not Regarded as Being in Interests of Buyer And Seller by the United States Supreme Court

By STEPHEN BELL,
In Commerce and Finance.

The decision of the United States Supreme Court that the "open competition" plan of the American Hardwood Manufacturers' Association was a misnomer, and that in fact it constituted a restraint of trade in violation of the Sherman Anti-Trust law, is generally hailed as a body blow at price agreements and admirably adapted to the restoration of genuine competition in trade.

The record of the case shows that the Association's plan involved daily sales and shipping reports, monthly detailed production reports, stock reports, price lists and inspection reports. These were supplemented with weekly and monthly summaries in condensed and interpreted form. All this information, gathered, tabulated and digested by an expert statistician, was sent to every member of the Association by its secretary, together with a market letter analyzing it all. Monthly meetings were held for the "discussion of all subjects of interest to the members."

The majority of the Court ruled that genuine competitors do not thus expose the details of their businesses to each other, and that the plan is essentially an expansion of the "gentlemen's agreement" of other days, skillfully devised to evade the law, and that to pronounce it a "new form of competition" court would "confess itself blinded by words and forms to realities which men in general very plainly see and understand and condemn as an old evil in a new dress and with a new name."

Justices Brandeis, McKenna and Holmes, whom none will suspect of any partiality in favor of combinations in restraint of trade, dissented from the decision, pointing out that none of the acts complained of were in themselves illegal, and that the decision was inconsistent with those rendered in the cases of the United States Steel Corporation, controlling 50 per cent of the steel industry, and the United Shoe Machinery Co., controlling 90 per cent. of the shoe machinery of the country, but the prevailing view was that the Hardwood Association had used its power to maintain and raise prices while the others mentioned had not.

Will Clear The Air

The decision is hailed as opening the way for a general cleaning up of the housing and building material situation, which has amounted to a national scandal and in which Counsel Untermyer of the New York Investigating Committee has declared sixty combines were operating. The textile and other trades are permeated with organizations posing as "one price" associations, and these, too, will in many cases have to modify their methods. Few commodities are entirely exempt from some degree of price control at some point between producer and consumer.

One of the humors of the decision is that the collation and dissemination of information as to supplies and market conditions which the Department of Commerce purposes to extend to all the great staples is apparently condemned as illegal, and a strained interpretation might extend this condemnation even to the market reports published by newspapers. The answer to this is, of course, that this information receives the widest publicity, while that collected by the agency under condemnation was reserved to a few and was accompanied by propaganda of a misleading nature as to a prospective shortage of hardwoods.

Government Interference

The case affords a conspicuous instance of the inconsistent, conflicting and paralyzing activities of the various branches of government in solving the economic riddles of the times. The financial branch is endeavoring to bring about a readjustment of prices at a level that will permit a freerer distribution of goods of all kinds. The commercial branch at times seeks to aid in this and at other times to hinder it, as interests of buyers and sellers affect its actions. The industrial interests as a rule stoutly resist the readjustment, believing that the nation's prosperity depends on the maintenance of high prices, in which belief the legislative and executive branches of the government seem to concur, as they are industriously trying to put through a tariff measure that will quite nullify all efforts to bring down the general commodity price level. In the meantime the Attorney-General has ordered another seach for profiteers in order to bring prices down.

JANUARY DIVIDEND PAYMENTS

Banks	$ 865,452
Loan and Trust	1,130,953
Mining	2,617,036
Industrials	4,089,942
Utilities	10,203,419
Insurance	257,763
Bond interest	10,424,256
Total	$29,588,821

Banks

Name	Rate	Amount
Dominion	3+1q	$240,000
Molsons	3 q	120,000
Mont. City & District	2½ q	49,952
Nova Scotia	4 q	388,000
Provincial	2¼ q	67,500
		$865,452

Loans and Trust

Name	Rate	Amount
Brit. Mort. Loan	6s	$ 30,000
B. C. Perm. Loan	3s	27,801
Canada Landed	2½ q	30,125
Can. Perm. Mort.	3q	180,000
Canada Trust	4+4s	80,000
Central Can. Loan	2½q	43,750
Col. Loan & Invest.	1½q	18,463
Dominion Savings	1¼q	11,686
Can. Mort. Invest.	3s	37,185
Eastern Can. Savings	2q	12,000
Hamilton Provident	5s	60,000
Home Investment	2q	19,848
Huron & Erie Mort.	1½+¼q	87,500
Landed Bank. & Loan	4s	40,000
London Loan & Savings	1¾q	15,597
National Trust	3q	60,000
Ont. Loan & Deb.	2½q	43,750
Real Estate Loan	3½s	17,500
Standard Trusts	4½s	45,000
Royal Loan & Savings	2¼q	13,500
Sask. Mort. & Trust	3s	24,720
Toronto Gen. Trusts	3q	51,807
Toronto Mortgage	2¼q	16,301
Toronto Savings	3+2q	50,000
Union Trust	1¾q	17,500
Chartered Trust	1¾q	8,397
Crown Trust	1½q	7,500
Eastern Trust	2¼q	22,500
London & West. Trusts	1¾q	8,750
Mercantile Trust	1½q	7,500
Trusts & Guarantee	3s	42,273
		$1,130,953

Mining

Name	Rate	Amount
Dome Mines	25cq	$119,166
Hillcrest Coll. com.	1½q	15,000
Do pref.	1¾q	12,349
Inter. Coal, com.	4½s	22,500
Do pref.	3½s	7,626
North Star Oil	1¾q	17,500
Nipissing	3+3q	360,000
McIntyre Mines	5q	182,010
Inter. Petroleum	25c	1,805,885
Kerr Lake	12½c	75,000
		$2,617,036

Industrials

Name	Rate	Amount
Abitibi Paper pref.	1¾q	$17,500
Amer. Cyanamid pref.	1½q	119,913
Asbestos Corp, com.	1½q	45,000
Do pref.	1¾q	70,000
Brand. Henderson pref	1¾q	8,750
Brit. American Oil	2q	110,000
Burt, F. A. com.	2½q	31,955
Do pref.	1¾q	25,322
Canada Bread pref.	1¾q	21,875
Can. Cement com.	1½q	202,500
Canada Peper pref.	3½s	12,043
Can. Con. Rubber pref.	1¾q	52,500
Can. Cottons, com.	2 q	54,310
Do pref.	1½q	54,922
C. Fairbanks-Morse prf.	3s	45,000
C. G. Electric com	2q	175,088
Can. Loco. com.	2q	40,000
Do pref.	1¾q	26,250
Canadian Salt	2q	24,000
Can. Westinghouse	2+2q	296,716
Can. Woollens, pref.	1¾q	30,625
Chase Tractors pref.	1¾q	12,625
City Dairy com.	1¼+3q	26,838
Do pref.	1¾q	12,250
Dominion Canners pref.	1¾q	40,085
Dom. Glass com.	1½q	63,750
Do pref.	1¾q	45,500
Dom. Linens pref.	3½s	12,250
Dom. Iron pref.	1¾q	87,500
Dom. Steel Corp pref.	1½q	105,000
Dom. Textile com	3q	150,000
Do pref.	1¾q	33,961
Dunlop T. & Rub pref.	1¾q	10,500
Goodwins, Ltd pref.	1¾q	30,625
Gould Mfg. Co. com.	1½q	11,212
Do pref.	1¾q	13,080
Holt Renfrew pref.	1¾q	17,500
Interlake Tissue Mills	1½q	9,375
Laurentide Co.	1½q	432,000
Lyall Cons.	1q	17,500
Maple Leaf Mill. com.	3q	75,000
Do pref.	1¾q	51,275
Nat. Breweries com	1q	22,543
Do pref.	1¾q	48,562
Ogilvie Flour com.	3q	75,000
Ottawa Car Mfg.	1+2q	35,337
Pacific Burt com.	1s	6,500
Do pref	1¾q	11,375
Port Arthur Ship. com.	2½q	37,500
Do pref.	1¾q	11,641
Price Bros	½q	213,416
Provincial Paper com.	1½q	52,500
Do pref.	1¾q	29,750
Rogers, Wm. pref.	1¾q	19,649
Shredded Wheat com.	2+1q	262,500
Do pref.	1½q	18,750
Smith H. Paper com.	2q	80,000
Do pref.	2q	30,000
Spanish Riv. Pulp com	1¾q	157,420
Do pref.	1¾q	150,841
Tuckett Tobacco com.	1q	25,000
Do pref.	1¾q	35,000
Wabasso Cotton	1q	17,500
Woods Mfg pref.	1¾q	27,063
		$4,089,942

Utilities, Etc.

Name	Rate	Amount
Brazilian pref.	1½q	$150,000
Canada Steam pref.	1¾q	218,750
Consumers' Gas	2½q	134,017
Dom. Power, pref.	3½s	128,838
Illinois Traction pref.	1½q	109,342
C. P. R. com.	2½q	6,500,000
Laurentide Power	1q	105,000
Mackay com	1½q	520,706
Do pref.	1q	500,000
Ottawa Light H. & P.	1½q	52,500
Ottawa Traction	1+1q	111,624
Ottawa Electric	3q	56,307
Porto Rico Rys com.	1q	30,000
Do pref.	1¾q	17,500
Bell Telephone	2q	453,140
Dom. Telegraphs	1½q	15,000
Maritime Tel. com.	1½q	12,750
Do pref.	1½q	15,000
Do (new) pref.	1¾q	21,354
Mont. Telegraph	2q	40,000
Penn. Water & Pr.	1¾q	148,662
Shawinigan W. & P.	1¾q	350,000
South. Can. Pow. pref.	1½q	4,383
Trinidad Electric	1	11,640
Tri-City pref	1½q	45,000
Twin City pref.	1¾q	52,500
W. Indies Electric	1¼q	10,000
W. Kootenay Pow. pref.	1¾q	7,000
Winnipeg Elec. Ry pref.	1¾q	8,887
N. Ont. Light & P. pref	3s	72,000
Niagara Falls Pow. pref	1¾q	201,519
		$10,203,419

Insurance

Name	Rate	Amount
British America, pref.	3½s	$19,250
Canada Life	3¾q	37,500
Dominion Life	4q	6,400
Gt. West Life	7½s	74,850
Imperial Life	3¾	16,875
Guar. Co. of N. Amer.	3q	9,138
Manufacturers' Life	4s	12,000
National Life	2½q	6,250
N. American Life	5s	3,000
Sun Life	7½s	37,500
Western Assur. pref.	3½s	35,000
		$257,763

BOND INTEREST DUE IN JANUARY

Utilities, Etc.

Company	Int. Rate	Due	Amount
Calgary Power	5	1940	$74,995
Mont. L. H. & P.	4½	1932	157,792
Niagara Falls P.	5	1932	250,000
Hydraulic Power	5	1950	87,500
N. Ont. Light	6	1931	137,595
Ottawa Gas	5	1934	3,750
Penn. Water & P.	5	1940	261,975
Shawinigan W. & P.	5	1934	95,613
Do.	7½	1926	150,000
Sherbrooke Ry & P	5	1940	27,650
Rio Janeiro	5	1935	625,000
Sao Paulo Elec.	5	1962	243,332
West. Power	5	1949	125,000
C. B. Electric	5	1932	27,400
Sydney & G. B. Ry.	5	1932	3,800
Demerara Electric	5	1929	12,500
Det. United Ry.	4½	1932	327,487
Mexico Tram.	6	1950	182,499
Mex. Elec. Light	5	1942	139,175
Mont. Tramways	5	1941	408,375
Can. Light & P.	5	1949	162,500
Quebec Ry.	5	1942	52,500
W. I. Electric	5	1928	15,000
Winn. Elec. Ry.	5	1935	100,000
Winn Elec St Ry.	5	1927	25,000
Winn Selk & L Mfg	5	1933	10,000
Do	5	1925	35,000
Commercial Cable	4	2397	200,000
Maritime Tel.	6	1941	45,000
Cuba Ry.	5	1952	329,250
Duluth South Shore	5	1937	95,400
Minn. S. S. M. & A.	4	1926	162,000
Minn St P & S S M	4	1938	1,137,260
Do	5	1938	86,925
Do	4	1949	70,000
Do	4½	1923	17,887
Wisc. Central Ry.	4	1949	449,340
C. P. Ry.	5	1937	91,250
Kaministiquia	5	1937	48,025
Laurentide P.	5	1946	187,500
Mississippi Riv P.	5	1951	483,382
Cedar Rapids P.	5	1953	343,225
Can. Northern	3½	1958	28,393
Do	6½	1946	812,500
Bay of Quinte Ry	5	1927	19,500
			$8,348,275

Industrials

Company	Int Rate	Due	Amount
Abitibi Pulp	6	1940	$120,000
Ames Holden	7	1931	56,875
Ames Holden Felt.	7	1940	13,123
Ames Holden Tire	7	1939	35,000
Asbestos Corp.	5	1042	72,750
Ashdown Hardware	5	1928	14,107
Atlantic Sugar	6	serial	40,350
Dom. Iron & Steel	5	1929	151,850
N. S. Steel & Coal	5	1959	139,500
Eastern Car	6	1952	27,837
Canada Iron	6	1939	24,276
Can. Con. Rubber	5	1947	200,000
Can. Cotton	5	1940	112,627
Can. Loco.	6	1951	45,000
Dom. Cotton	6	1922	111,000
Gordon Ironsides	6	1927	52,248
Holt Renfrew	6	1934	6,750
Inter. Milling	6	1930	18,300
Kaministiquia P.	7	1935	17,500
Nat. Breweries	6	1939	45,000
Ont. Stel Prod.	6	1943	15,666
West. Dry D & S	6	1928	13,500
Riordon P. & P.	6	1929	120,000
St. Law Flour	6	1941	4,770
Sher. Williams	6	1941	52,629
Simpson Robt.	5	1952	50,062
Smith How. Paper	7	1941	35,000
Span, Riv. Pulp	6	1931	69,810
Ontario Pulp	6	1931	41,973
Steel Co. of Can.	6	1940	228,228
Western Coke	5	1924	11,250
Whalen P. & P.	7	serial	10,500
Windsor Hotel	4½	1931	13,500
Cons. Mining & S.	7	1929	105,000
			$2,075,981

Texas oil shares were recently donated to a New England educational institution by a large shareholder with directions that the stock must not be sold. Previously Texas Oil shares had traveled the same way from the same source but without such directions. Is there in this a "tip" for educators, economists, oil men or Wall Street?

CHANGES IN WINDSOR HOTEL

From Our Own Correspondent

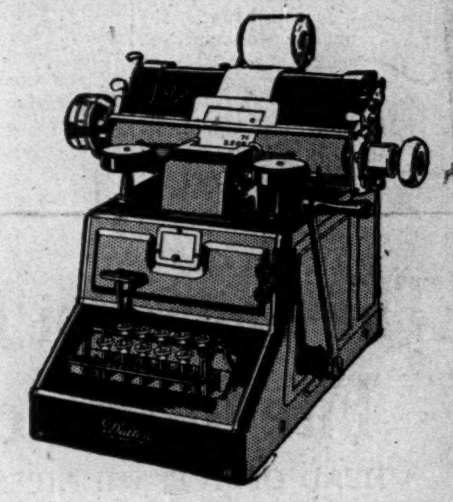
MONTREAL. — Control of the Windsor Hotel has passed definitely into the hands of Donat Raymond of the Queen's Hotel. This was evident at a meeting of the Board of Directors on Tuesday when several of the old Board resigned and some new directors were chosen, consisting of Aime Geoffrion, K. C., John S. Archibald, L. H. Timmins, and Donat Raymond, who replaced John M. McIntyre, F. L. Wanklyn, Lieut. Col. Herbert Molson, and J. D. Hudson. It is stated that Henry Joseph who has been president for several years will retain that position while Mr. Raymond will act as managing-director. The stock is quoted around the price paid for the majority of the shares, namely $125.

The Standard Bank of Canada

DIRECTORS
Wellington Francis, K.C., President.
Herbert Langlois, Vice-President.
F. W. Cowan
James Hardy
T. H. Wood
T. B. Greening
Robert Gray
C. H. Easson, General Manager.
J. S. Loudon, Assistant General Manager.

CLOSELY identified with Canada's development for nearly half-a-century, the Standard Bank of Canada has become one of the nation's financial bulwarks. The substantial growth of forty-nine years is indicated by its present Capital and Surplus of NINE MILLION FOUR HUNDRED THOUSAND DOLLARS, its Total Resources exceeding EIGHTY-THREE MILLION DOLLARS, and its one hundred and eighty branches covering the whole Dominion.

Head Office - Toronto



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Super-Model

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It is a calculating-machine
It is a statement-machine
It is a ledger-posting machine

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¶ Because of its automatic subtraction feature and its multiplication key, it is a calculating machine without compare. A printed proof is furnished of every calculation.

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¶ A touch of the shuttle-key converts it into a statement and ledger-posting machine. It will fit into any business with little or no change in the system now used.

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Note These Features
Automatic subtraction key.
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Sub-total key (right hand)
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Correction key
Back-space key
Non-add key
Non-print key and lock
Keyboard clear signal
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Adjustable paper holder
Adjustable tabulator stops
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Adding-Calculating Statement-Bookeeping Machine

THE Dalton is so simple in operation that anyone can use it -- and at the first attempt. ¶The Super-Model marks such an advance in Figure-working machines that you should see it.

his mark